28

KIG	INAL	
ī	Timothy J. Sabo (021309)	
- 1	Regulatory Counsel	
2	Global Water Resources, Inc.	
3	21410 N. 19 <sup>th</sup> Avenue, Suite 220	
	Phoenix, AZ 85027	
4	480.999.5215	
5	Tim.Sabo@gwresources.com	
6	BEFORE THE ARIZONA CORPO	DATION COMMISSION
7	BEFORE THE ARIZONA CORFO	KATION COMMISSION
	COMMISSIONERS	
8	ROBERT "BOB" BURNS, Chairman	
9	BOYD DUNN	
10	SANDRA D. KENNEDY	
10	JUSTIN OLSON	
11	LEA MÁRQUEZ PETERSON	
12	IN THE MATTER OF THE APPLICATION	DOCKET NO. SW-20403
13	OF GLOBAL WATER - BALTERRA	200.00.
15	UTILITIES COMPANY, INC., AN ARIZONA	RATE APPLICATION
14	CORPORATION, FOR THE	
15	ESTABLISHMENT OF JUST AND	PART 3 OF 4
Page 1	REASONABLE RATES AND CHARGES	
16	FOR UTILITY SERVICE DESIGNED TO	NOTICE OF FILING RA
17	REALIZE A REASONABLE RATE OF	CASE SCHEDULES IN
***	RETURN ON THE FAIR VALUE OF ITS	SUPPORT OF RATE
18	PROPERTY AND FOR CERTAIN RELATED APPROVALS.	APPLICATION
19	AFFROVALS.	
20	Global Water – Balterra Utilities Company	, Inc., in connection with its
21	contemporaneously filed Rate Application, provid	es notice of filing the attach
22	, , , , , , , , , , , , , , , , , , ,	50, -0 11 - 1
23	Case Schedules in support of its Rate Application.	
	DECRECTELL LV CUDMITTED 41:- 20th	down of Amount 2020
24	RESPECTFULLY SUBMITTED this 28th	DocuSigned by:
25		imothy J. Sabo
26		iffile9thq9873.41Sabo
27	R	egulatory Counsel
27		

SW-20403A-20-0218 **CATION** FILING RATE **DULES IN** F RATE N tion with its ng the attached Rate 2020. sel

1 **Certificate of Service** 2 Original of the foregoing eFiled this 28th day of August, 2020 with: 3 4 Docket Control Arizona Corporation Commission 5 1200 West Washington Phoenix, Arizona 85007 6 Copies emailed this same date to: 7 Elijah Abinah 8 Director, Utilities Division Arizona Corporation Commission 1200 West Washington Phoenix, Arizona 85007 10 Utildivservicebyemail@azcc.gov 11 Robin R. Mitchell, Esq. Chief Counsel and Director, Legal Division 12 Arizona Corporation Commission 1200 West Washington 13 Phoenix, Arizona 85007 LegalDiv@azcc.gov 14 15 Hearing Division Arizona Corporation Commission 1200 West Washington 16 Phoenix, Arizona 85007 17 Hearing Division Service by Email@azcc.gov 18 19 Isl Joyce Goodwin 20 21 22 23 24 25 26 27 28 2

Balterra Sewer, LLC Schedule A-1

Test Year Ended December 31, 2019 Computation of Increase in Gross Revenue Requirement

Line No.	DESCRIPTION		[A]	[B]	C	[C] PRIGINAL COST		[D] FAIR VALUE
1	Adjusted Rate Base				\$	486,332	\$	486,332
2						1001002	30	
3	Adjusted Operating Income (Loss)					(1,417)		(1,417)
5	Current Rate of Return (Line 3 /Line 1)					-0.29%		-0.29%
7	Required Operating Income (Line 9 * Line 1)					*		=
9	Required Rate of Return					0.00%		0.00%
10 11 12	Operating Income Deficiency (Line 7 - Line 3)					1,417		1,417
13 14	Gross Revenue Conversion Factor					1.0515		1.0515
15 16	Increase in Gross Revenue Requirements				\$	말	\$	<b>3</b>
17 18	Customer	Pr	esent	Proposed		Dollar		Percent
19	Classification	F	lates	 Rates	9	Increase		Increase
20 21	Residential				\$	-		0.0%
22	Commercial					** **		0.0%
23	Irrigation					=		0.0%
24	Hydrant					20		0.0%
25	Lake					*		0.0%
26 27	Non-Potable (Raw Water)					8		0.0%
28	Total of Water Revenues	\$	15 <del>4</del> 0	\$ . <del>2</del> 0	\$	Ŗ		0.0%
29 30	Miscellaneous Revenues	\$	596	\$ 5 <b>9</b> 05	\$	*		0.0%
31 32	Total Operating Revenues	\$	3	\$ (B)	\$	20		0.0%
33 34	Total Adjusted Revenues (Schedule C-1)	\$	OHA:	\$ 9 <del>4</del> 01	\$	ж		0.0%
35	4							2.370

Supporting Schedules: B-1

C-1 C-3

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Balterra Sewer, LLC Test Year Ended December 31, 2019 Summary of Results of Operations

Schedule A-2

									Projected	Year
		Prior	Years E	nded	8.	Test Y			resent	Proposed
Line No.	Description	12/31/20	17 12	/31/2018		Actual 31/2019	Adjusted 12/31/2019		Rates 31/2021	Rates 12/31/2021
1 2	Gross Revenues	\$	- \$	#	\$	8 <del>4</del> 8 9	\$	\$	- \$	¥
3	Revenue Deductions and									
4 5	Operating Expenses	105,5	525	2,261		1,417	1,417		1,417	1,417
6 7	Operating Income	(105,5	525)	(2,261)		(1,417)	(1,417)		(1,417)	(1,417)
8 9	Other Income and Deductions		ŭ	23		924	82		돷	3
10 11	Interest Expense		9			<u> </u>	5		ŝ	1-8
12 13	Net Income	(105,5	525)	(2,261)		(1,417)	(1,417)		(1,417)	(1,417)
14 15	Common Shares		E	#3		(1 <del>4</del> );	17		8	93
16	Earned Per Average									
17 18	Common Share	NA	NA		NA	N	IA	NA	NA	· ·
19	Dividends Per									
20 21	Common Share	NA	NA		NA	1	IA	NA	NA	¥.
22 23	Payout Ratio	NA	NA		NA	N	IA.	NA	NA	¥.
24	Return on Average									
25 26	Invested Capital	NA	NA		NA	٨	IA	NA	N.A	N.
27	Return on Year End									
28 29	Capital	NA	NA		NA	4.5	IA	NA	N.A	N.
30	Return on Average									
31 32	Common Equity	NA	NA		NA		IA	NA	NA.	V.
33	Return on Year End									
34 35	Common Equity	NA	NA		NA	1	IA	NA	NA	X.
36	Times Bond Interest Earned									
37 38	Before Income Taxes	NA	NA		NA	P	IA	NA	NA	V
39 40	Times Total Interest and Preferred Dividends Earned									
41 42	After Income Taxes	NA	NA		NA	ı	IA	NA	NA.	Č
43										
44	Supporting Schedules:									
45 46	E-2 C-1									

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Test Year Ended December 31, 2019 Summary of Capital Structure Schedule A-3

Line		Prid	or Yea	rs Ended		Tes	t Year		ected ear
No.	Description	12/31/2		12/31/20	18		1/2019		/2021
1	Short-Term Debt	\$	22	\$	2	\$	121	\$	2
2		***				100.00			
3	Long-Term Debt		27.		D.		976		5
4	\$42								
5	Total Debt		55		25		(表)		5
6									
7	Preferred Stock		H		æ		8 <del>9</del> 8		*
8									
9	Common Equity	1,65	8,780	1,658,9	90	1,0	558,927	1,6	58,927
10	C. See STATES TO AND SECTION	TIBLE ACTION	1960-1061			1543		\$6 <b>%</b> C	
11	Total Capital	1,65	8,780	1,658,9	90	1.0	558,927	1,6	58,927
12		0040040	574 <b>8</b> 0 80 1954 1954	100000000000000000000000000000000000000		53 <b>4</b> 3		257,626	
13	Capitalization Ratios:								
14									
15	Short-Term Debt		25		×		3 <b>7</b> 3		5
16									
17	Long-Term Debt				*		2 <del>10</del> 6		
18									
19	Total Debt		æ		*		1 <del>2</del> 1		=
20									
21	Preferred Stock		2		22		320		2
22	The Committee of the Co								
23	Common Equity		100%	10	0%		100%		100%
24	20000-00-40-00-0000000 1200000 P2-26-0-								
25	Total Capital		100%	10	0%		100%		100%
26									
27	Weighted Cost of								
28	Short-Term Debt		:8		×		150		-
29									
30	Weighted Cost of								
31	Long-Term Debt		22		Q.		-		<u>~</u>
32									
33	Weighted Cost of								
34	Senior Debt				ğ		基		2
35	essarosperato sel en este ESEE								
36									
37	Supporting Schedules:								
38	E-1								
39	D-1								

15

E-5

Balterra Sewer, LLC Schedule A-4

Test Year Ended December 31, 2019

Construction Expenditures and Gross Utility Plant Placed in Service

Line No.			Constr Expen	Plac	Plant ed In vice	Gross Utility Plant In Service		
1	Prior Year Ended	12/31/2017	\$	-	\$	-	\$	-
2								
3	Prior Year Ended	12/31/2018		-		-		-
4								
5	Test Year Ended	12/31/2019		-		-		-
6								
7	Projected Year Ended	12/31/2020		-		-		-
8								
9								
10								
11								
12								
13	Supporting Schedules:							
14	F-3							

Balterra Sewer, LLC Test Year Ended December 31, 2019 Schedule A-5

Comparative Statement of Changes in Financial Position

							-	Projecte	
poperations.		25		200727094	72.01	2000 SEC. SEC. SEC. SEC. SEC. SEC. SEC. SEC.	(1	Present	Proposed
Line		·	Prior Years E 1/2017 1	2/31/2018	_	est Year /31/2019	40	Rates /31/2020	Rates
No.		12/3	1/2017 1	2/31/2010	12	131/2019	12	/31/2020	12/31/202
1									
2	Operating Activities								
3	Net income (loss)	\$ (1	105,525) \$	(2,261)	\$	(1,417)	\$	(1,417)	\$ (1,41
	Adjustment to reconcile net income (loss)								
5	Deferred compensation		70	55		15		- 5	
3	Depreciation		5	<del>1</del> 5		=		*	
8	Amortization		8	25		~		19	
3	Amortization of deferred debt issuance costs and discounts		20	¥5		¥		(A)	
)	Write-off of debt issuance costs					8		8	
0	Gain on sale of 303 contracts		2	53		2		77	
1	(Gain) Loss on Equity Investment		8	7.2		8 2		15	
3	Other gains and losses (Gain) Loss on disposal of fixed assets		8			8		8	
4	Loss on Sale of Willow Valley			•		-		-	
5	Provision for doubtful accounts receivable		66	24		8			
6	Deferred income tax (benefit) expense		- 5	70				12	
7	Accounts receivables		5	29		9		-	
8	Other Receivables	9	103,215	(375)		63		63	E
9	Accrued revenue	5		2525		33		350	55
0	Infrastructure coordination and financing fee receivable		e:	52 21		22 14		9	
1	Income taxes receivable		~ ¥0	¥1				14	
2	Other current assets		1,810	3,137		1,354		1,354	1,35
3	Accounts payable and other current liabilities		500	(500)				75.20700	9000
4	Other noncurrent assets		(5)(5)(6) *(	10.71.5.50				*	
5	Other noncurrent liabilities		*	•					
6	Deferred revenue and prepaid ICFA fees		8	29		9		-	
7	Net cash (used) provided by operating activities		0	1		0		0	-
8	HODEN STOREN BL. CONTRACTOR & Library AND MAY AND TO STORE MARKS AND STORE WAS TRACTOR AND								
9	Investing Activities								
0	Capital expenditures		_			000			
1	Proceeds from the sale of Willow Valley		*	36		1940		36	
2	Proceeds from sale of fixed and intangible assets		=	*		193		3	
3	(Deposits) withdrawals of restricted cash		25	ĕ		<b>28</b>		ĕ	
4	Deposits		5	3		:40			
5	Advance in aid of construction release		*	*		125		*	
6	Net cash used in investing activities		8	#8		36		*	
7									
8	Financing Activities								
9	Proceeds from bond		25	29		₽		72	
0	Deposits in bond service fund		20	20		8		12	
1	Proceeds withdrawn from bond service fund		70	70					
2	Repayments of bond debt		8	±3		8			
3	(Deposit into)/ redemption from escrow for debt service		8	23		×		19	
4	Loan borrowings		50	23		2		-	
5	Loan repayments		9	- 8		3		ĕ	
6	Principal payments under capital lease		a	±3		5		75	
7	Payment of Sonoran acquisition liability		8	#2		6		38	
8	Acquisition of utilities, deferred acquisition payments		83	**		2		9	
9	Financing costs paid		20	¥2		2		10	
0	Debt issuance costs paid		8	79		8		- 5	
1	Advances in aid of construction		*	76		8		15	
2	Dividends Paid		*	90		*			
3	Proceeds from sale of stock		20	±2		9		92	
4	Contributions in aid of construction under ICFA agreements		7	-		3		2	
5	Payments of offering costs for sale of stock		8	33		7.5		5	
6	Refunds of advances for construction		*	*5		8		*	
7	Net cash (used) provided by financing activities		¥:	*		*		16	
8	Net change in cash		0	1		ĕ		0	
9									

<sup>60</sup> 

E-3

<sup>62</sup> F-2

Schedule B-1

Test Year Ended December 31, 2019 Summary of Fair Value Rate Base

		Original Cost
Line		Rate Base
No.		As Filed
1	Plant in Service	\$ 276,703
2	Less: Accumulated Depreciation	-
3		
4	Net Plant in Service	276,703
5		
6	LESS:	
7	Net CIAC	-
8	Advances in Aid of Construction (AIAC)	-
9	Customer Deposits	-
10	Deferred Income Tax Credits	-
11		
12	ADD:	
13	Unamortized Finance Charges	
14	Deferred Tax Assets	209,629
15	Working Capital	
16	Utility Plant Acquisition Adjustment	
17		
18	Original Cost Rate Base	\$ 486,332
19		
20		
21	Supporting Schedules:	
22	B-2	
23	B-3	
24	E-1	
25	B-5	

Balterra Sewer, LLC Test Year Ended December 31, 2019 Detail Plant in Service Schedule B-2 Page 1 of 2

		Α	B PTYP	C	D	<b>E</b> 3	$\mathbf{F}_{n \geq 2}$	G	H
		Actual	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment	Adjusted
Line		Test Year	1	2	3	4	5	6	Test Year
No.		End	B.2.1	B.2.2	B.2.3	B.2.4	B.2.5	B.2.6	As Filed
1	Utility Plant in Service								
2 3	351 Organization	10 <del>1</del> 23							(4)
	352 Franchises	27/ 702							276 702
4	353 Land and Land Rights 354 Structures and Improvements	276,703							276,703
5		11AT							82 <b>-</b> 4
6 7	355 Power Generation Equipment 360 Collections Wastewater - Force	17/5							(Ca)
8	361 Collections Wastewater - Force	336							767
9	362 Special Collecting Structures								376
10	363 Services to Customers	S.E.							87.5
11	364 Flow Measuring Devices	1 (2)							お売さ
12	365 Flow Measuring Devices 365 Flow Measuring Installations	A.E.							9.5h
13	366 Reuse Services	1)53							(4E)
14	367 Reuse Meters & Meter Installations	2. <del>4</del> 1							6 <del>7</del> 6
15	370 Receiving Wells	5. <del>8</del> 3							SEA
16	371 Pumping Equipment	7.89 ore:							(( <b>#</b> .2 (66.0)
17	374 Reuse Distribution Reservoirs	12.00							70m2
18	375 Reuse Trans. And Distr. Equipment	T/98							W23
19	380 Treatment and Disposal Equipment	060							75
20	381 Plant Sewers	165							100
21	382 Outfall Sewer Lines	11 <del>5.7</del>							\$50
22	389 Other Plant and Misc. Equipment	153							19 <b>6</b> %
23	390 Office Furniture and Equipment	85							764
24	390.1 Computer & Software	052							
25	391 Transportation Equipment	5.86							696
26	392 Stores Equipment	10,800 11,800							8.E3
27	393 Tools, Shop and Garage Equipment	11 <b>%</b> 1							2040
28	394 Laboratory Equipment	198							0 <b>=</b> 1
29	395 Power Operated Equipment	2.588							986
30	396 Communication Equipment	1,20							138
31	397 Miscellaneous Equipment	NA:							1 <u>6</u> 7
32	398 Other Tangible Plant	0.78							957.1
22	356 Other rangiote riant	· · · · · · · · · · · · · · · · · · ·							359
33 34									新春日 77年日
35									964 1964
36	Total Utility Plant in Service	276,703	·2	9	2	()等()	9601	iş.	276,703
37	Total Othity Flancin Service	270,703			-	2.50	2.722		270,703
38	107 Construction Work in Progress	1,172,595							1,172,595
39	107 Constitution work in Flogress	1,172,333							1,172,333
40	Total Plant	1,449,298	2	图		827		2	1,449,298
41	i Otal F tally	1,442,298		5		-		7	1,772,470
42	Total Accum, Depreciation	1 <b>%</b> -4							
43	Total recent, Depresiation	C76							5.55
44	Total Net Plant	1,449,298		#	Ħ	562	382	18	1,449,298

Balterra Sewer, LLC Test Year Ended December 31, 2019 Schedule B-2 Page 2 of 2

		UNADJUSTED	ADJ #B1 PTYP	ADJ #B2 ADIT	ADJ #B3	ADJ #B4	ADJ #B5	ADJ #B6	ADJ #B7	ADJUSTED
Gross	Plant in Service	276,703	4		183	120	Ħ	75	257	276,703
Less:										
	Accumulated Depreciation		2	8	46	945	×	948	440	¥ .
	Net Plant in Service	276,703	2	ĕ	183	020	2	76	257	276,703
Less:										
	Advances in Aid of Construction	82								¥
	Contributions in Aid of Construction									
	Gross	题								- 5
	Accumulated Amortization	<u> </u>								H ,
	Net Contributions in Aid of Construction	÷								14 °
	Deferred Income Tax	E.	8							
	Customer Deposits	) <del>3</del>								æ
Add:										
	Working Capital	ET.								
	Deferred Tax Assets	209,629								209,629
Table	nest D	496 222								486 722
Total I	Rate Base:	486,332	3.			<i>19</i> 1	Ē.	861	189	486,33

Test Year Ended December 31, 2019 Schedule B-3 RCND Rate Base Pro forma Schedule B-3

# LINE NO.

1	The Company has opted not to perform a RCND study and adopts its
2	original cost rate base as the fair value rate base.
3	

Test Year Ended December 31, 2019 Schedule B-4 RCND By Major Plant Account Schedule B-4

# LINE NO.

1	The Company has opted not to perform a RCND study and adopts its
2	original cost rate base as the fair value rate base.
3	
4	

Balterra Sewer, LLC
Test Year Ended December 31, 2019
Schedule B-5 Computation of Working Capital

Schedule B-5 Page 1 of 2

## LINE NO.

ş	Operating Expenses	Tor	t Year Results		venue Days	Exp	oense Lag Days	Net Lag Days	Lead / Lag	N,	Working Cash quirement
1 2 3	Operating expenses	163	t real nesults	Lag	Days		Days	Days	ractor	ne	quirement
3	Purchased Power	\$	1,644,009	\$	39	\$	24	\$ 16	\$ 0	\$	71,683
4	Payroll		5,849,624		39		9	31	0		492,369
5	Chemicals		265,021		39		17	22	0		16,221
6	Property & Liability Insurance		280,025		39		2	37	0		28,546
7	Worker's Compensation Insurance		90,650		39		(69)	108	0		26,932
8	Medical, Vision, Dental, LTD & Life Insurance		642,050		39		3	36	0		63,543
9	Other O&M (Excluding Rate Case Expense)		1,053,862		39		38	1	0		3,028
10	Federal Income Taxes		86,375		39		38	2	0		463
11	State Income Taxes		141,000		39		38 9	2	0		757
12	FICA Taxes		371,590		39		9	31	0		31,277
13	FUTA & SUTA Taxes		4,979		39		9	31	0		419
14	Property Taxes		2,165,582		39		180	(140)	(0)		(831,277)
15	Registration, Svc. Contracts, & Misc. Fees		1,683,381		39		34	5	0		24,643
16	Retirement Annuities (401k)		163,492		39		66	(26)	(0)		(11,665)
17											11-L-11-00-00-01-00-01
18	Total	\$	14,441,639							\$	(83,060)
19											
20											
21	Supporting Schedules									Rei	ap Schedul
22	(a) E-1									B-1	

Balterra Sewer, LLC
Test Year Ended December 31, 2019
Page 2 of 2

Schedule B-5 Computation of Working Capital

## LINE NO.

	Tota	l Working		2019 Year		Allocation of
	Cash	i		End	Percent	Working
1	Requ	uirement	Company	Counts	Allocation	Capital
2	\$	(83,060)	Palo Verde	21,109	46.1%	\$ (38,307)
3			Santa Cruz	21,357	46.7%	(38,757)
4			North Scottsdale	92	0.2%	(167)
5			Tonopah	413	0.9%	(749)
6			Eagletail	57	0.1%	(103)
7			Turner Ranches	963	2.1%	(1,748)
8			Red Rock Sewer	883	1.9%	(1,602)
9			Red Rock Water	896	2.0%	(1,626)
10				45,770		
11						
12			Palo Verde RRS Consolidated			(39,909)
13			Santa Cruz RRW Consolidated			(40,383)

Balterra Sewer, LLC Test Year Ended December 31, 2019 Adjusted Test Year Income Statement

Schedule C-1

		[A]	[B]	[C]	[D]	[E]	
lo.		Actual Test Year	Pro Forma Adjustments - As Filed	Adjusted Test Year - As Filed	Proposed Rate Increase	Adjusted With Rate Increase	
	ng Revenue	Test real	As I lieu	As I lieu	morease	merease	
521	Flat Rate Revenues	-	ĕ	<b>©</b>	3	•	
522	Measured Revenues		ğ		<u>@</u>		
534	Rents from Wastewater Property	U.SV	12 12	727	<u>¥</u>	U <u>4</u> 19	
536	Other Wastewater Revenues	966	8	526	25	Uga Uga Uga	
10		提動	擅	1828	5	920	
Total R	evenues	949	12	923	X25	940	
Operati	ng Expenses						
701	Salaries and Wages	(2)	8	7.0	<u>\$</u>	(8)	
704	Employee Pensions and Benefits	656	13	100	ä	570	
710	Purchased Wastewater Treatment	646	38	59.5	*	685	
711	Sludge Removal Expense		ĕ	<b>©</b>	3	9	
715	Purchased Power	19700	Ħ	12 <del>1</del>	8	13734	
716	Fuel for Power Production	19496	9	764	9	(343)	
718	Chemicals		3	6	š		
720	Materials and Supplies	558	22	688	*	558	
720.1	Repairs and Maintenance	9 <u>13</u> 6	13	323	÷	6 <u>1</u> 6	
720.2	Office Supplies and Expense	3		-	<u>~</u>	20	
721	Office Expense	1(82)	迁	(8)	*	1(8)	
731	Contractual Services -Engineering	243	32	F46	94	945	
732	Contractual Services - Accounting	(356	95	0.70	7.	(25%	
733	Contractual Services - Legal	180	18	3.41	*	<del>(2</del> 2)	
734	Contractual Services - Management Fees	(22))	12	943	黨	(32))	
735	Contractual Services - Testing	050	15	270		100	
736	Contractual Services - Other	18 <del>1</del> 5	8	3-3	::	18	
740	Rents - Building	940	12	948	12	920	
742	Rents - Equipment	FF-61		659	57	650	
750	Transportation Expenses	(40)	9	100	<b>19</b>	(40)	
756	Insurance - Vehicle	1800 1800	id	325	<u>~</u>	<b>经</b> 基款	
757	Insurance - General Liability	120	題	語	漆	6 <b>5</b> 0	
758	Insurance - Worker's Compensation	150	€.		*	1563	
759	Insurance - Other	Sec	82	1727	225	959	
760	Advertising Expense	R#8	13	858		R#0	
766	Regulatory Commission Expense - Rate Case	19-23	拼	3-31	₩	1993	
767	Regulatory Commission Expense - Other	028	12	75	22	UEN	
770	Bad Debt Expense	878	37		*	878	
775	Miscellaneous Expense	500	接	500	黑	500	
403	Depreciation Expense	128	52	896	32	0.28	
408	Taxes Other Than Income	38L	i <del>d</del>	(**)	25	38V	
408.11	Property Taxes	882	<u> </u>	882	*	882	
408.12	Payroll Taxes		8		<u> </u>		
408.13	Other Taxes and Licenses	5 <b>5</b> 5	13		ă	150 m	
409	Income Taxes	35	32	35	*	35	
Total O	perating Expenses	1,417	19	1,417	*	1,417	
Operati	ng Income / (Loss)	(1,417)	g	(1,417)		(1,417	
F-12 44	CONTROL OF AND	200000000000000000000000000000000000000				***************************************	
Other Ir	Gain/Loss on Dispositions		13	対を持	<b>5</b>	H20	
	Gain/Loss on Dispositions	8#3		X₽5	-	820	
419	Interest and Dividend Income	830	<b>A</b>	Si	· ·	6 <b>3</b> 81	
421	Non-Utility Income	15 <del>6</del> 0	% ≌	(1 <b>4</b> ()	æ 24	(56) User	
426	Miscellaneous Non-Utility (Expense)	856		528	0	5 <u>2</u> 5	
Total O	Interest (Expense) ther Income / (Expense)	550 889		673 S#3	3	150 F#1	
Total O	uioi income / (Expense)	57 <u>2</u>	13	354		5 <u>5</u> 5	
Net Inco	ome / (Loss)	(1,417)	38	(1,417)		(1,417	

Baiterra Sewer, LLC Test Year Ended December 31, 2019 Adjusted Test Year Income Statement

Schedule C-2

<b>lo</b> ;	Actual Test Year	B Adjustment 1 Bad Debt C.2.1	2	D Adjustment 3 c Income Tax C.2.3	4	F t Adjustmen 5 Depreciation G.2.5	6	H Adjustment 7 Bonus Exclusi C.2.7	Adjustment B FATHOM C.2.8	J Adjustment 9 Half Yr Conv C 2.9	K Adjustment 10 C.2.10	Adjustment 11 C.2.11	M Adjustment 12 C.2.12	Adjustment 13 C.2.13	0 Adjustment 14 C.2.14	P Adjustment 15 C 2.15	Adjusted Test Year As Filed	R Adjustment 16 Bad Debt C.2.1	S Adjustmen 17 Property Tax C 2.2	T Adjustment 18 Income Tax C.2.3	U Adjustment 19 Revenue Increas A-1	V Adjustment 20 e Income Tax	Adjusted With Rate Increas
Operatina Revenue 521 Fila Rabit Revenues 523 Measured Revenues 534 Rents from Wastewater Property 536 Other Wastewater Revenues	ASS TO SECOND																*						Note the state of
Total Revenues	- 12	.59	30	196	1%	93		28	45	19	100	198	- 12	92	565	26	125	590	( 9)	\$1	.9	×	- 5
Operating Expenses 701 - Selvisine and Wages 704 - Employee Persions and Benefits 705 - Employee Persions and Benefits 706 - Employee Persions and Benefits 707 - Purchased Wastewarder Treatment 718 - Sludge Removal' Expenses 719 - Purchased Power 716 - Fuel for Power Production 716 - Purchased Power 717 - Purchased Power 718 - Contractions 719 - Contractions 710 - Contractions and Empense 710 - Contractions Services - Engineering 711 - Contractions Services - Accounting 712 - Contractions Services - Homasurement Fees 713 - Contractions Services - Homasurement Fees 714 - Contractions Services - Feeling 715 - Contractions Services - Feeling 716 - Contractions Services - Feeling 717 - Contractions Services - Feeling 718 - Contractions Services - Feeling 719 - Contractions Services - Feeling 710 - Feeling Services - Feeling 710 - Feeling Services - Feeling 710 - Feeling Services - Feeling 710 - Advertising Expense 710 - Regulatory Commission Expense - Other 710 - Bad Delta Expense 710 - Feeling Services - Feeling 711 - Taxes Other Than Income 710 - Feeling Services - Feeling 710 - Taxes Other Than Income 710 - Feeling Services - Feeling 710 - Taxes Other Than Income 710 - Feeling Services - Feeling 710 - Feeling Services - Feeling 711 - Feeling Services - Feeling 712 - Feeling Services - Feeling 713 - Feeling Services - Feeling 714 - Feeling Services - Feeling 715 - Feeling Services - Feeling 716 - Feeling Services - Feeling 717 - Feeling Services - Feeling 718 - Feeling Services - Feeling 719 - Feeling Services - Feeling 710 - Feeling Services - Feeling 710 - Feeling Services - Feeling 711 - Feeling Services - Feeling 712 - Feeling Services - Feeling 713 - Feeling Services - Feeling 714 - Feeling Services - Feeling 715 - Feeling Services - Feeling 717 -	500 882																550 882						550
Total Operating Expenses	1,417	7.4	125	7.8	92	20	9271	62	27	7.4	125	7.3	- 92	22	2271	52	1,417	72	12	20	57/	2	1,4
Operating Income / (Loss)	(1,417)			040		-		-	200	54	-	0.60	-	-	1961		(1,417)	1.0				-	(1,4
Other Income (Expense) 414 Gari/Los on Dispositions 419 Interest and Dividend Income 421 Nich-Utility Income 422 Nich-Utility Income 426 Miscolaneous Non-Utility (Expense) 427 Interest (Expense) 1701 Other Income (Expense)					(8	**	128/4		***			-40		*	1999	-		1 140	. 1+.	+11	(#°	141	
Net Income / (Loss)	(1.417)		9	780	- 2	50	9417	- 2	25	-		730	- 2	51	2417	- 2	(1,417)	- 52.0		50			(1)

Test Year Ended December 31, 2019 Adjusted Test Year Income Statement Schedule C-3 Page 1 of 2

Line		Percentage of Incremental Gross
No.	Description	Revenues
1	Combined Federal and State Effective Income Tax Rate	4.9000%
2	Uncollectible Revenue Effective Rate	0.0000%
3	Property Taxes Effective Rate	0.0000%
4	Total Tax Percentage	4.9000%
5		
6	Operating Income % = 100% - Tax Percentage	95.1000%
7 8		
9		
10		
11	1 = Gross Revenue Conversion Factor	
12	Operating Income %	1.051525
13		
14		
15		
16		
17 18		
19		
20		
21		
22		
23	SUPPORTING SCHEDULES:	RECAP SCHEDULES:
24	C-3, page 2	A-1

Balterra Sewer, LLC
Test Year Ended December 31, 2019
Adjusted Test Year Income Statement

### GROSS REVENUE CONVERSION FACTOR

Line No.	Description	(A)	(B)	(C)	(D)	(E)	(F)
	Calculation of Gross Revenue Conversion Factor:						
1	Revenue	100.0000	%				
2	Uncollectible Factor (Line 11)	0.0000	%				
3	Revenues (L1 - L2)	100.0000					
4 5	Combined Federal and State Income Tax and Property Tax Rate (Line 23) Subtotal (L3 - L4)	4.9000° 95.1000°	% 1/				
6	Revenue Conversion Factor (L1 / L5)	1.05152					
72	Calculation of Uncollectible Factor:	Same					
7 8	Unity Combined Federal and State Tax Rate (L17)	100.0000					
9	One Minus Combined Income Tax Rate (L7 - L8 )	95.1000					
10	Uncollectible Rate	0.0000	%				
33	Uncollectible Factor (L9 * L10 )		0.0000%	E:			
150	Calculation of Effective Tax Rate:	0.0000000000000000000000000000000000000	ia.				
12	Operating Income Before Taxes (Arizona Taxable Income) Arizona State Income Tax Rate	100.0000					
14	Federal Taxable Income (L12 - L13)	95.1000					
15	Applicable Federal Income Tax Rate (L55 Col F)	0.0000	%				
	Effective Federal Income Tax Rate (L14 x L15)	0.0000					
17	Combined Federal and State Income Tax Rate (L13 +L16)		4.9000%	<u>.</u>			
18	Calculation of Effective Property Tax Factor	100.0000	V.				
18	Unity Combined Federal and State Income Tax Rate (L17)	4.9000					
20	One Minus Combined Income Tax Rate (L18-L19)	95.1000					
	Property Tax Factor	0.0000					
22 23	Effective Property Tax Factor (L20*L21) Combined Federal and State Income Tax and Property Tax Rate (L17+L22)		0.0000%	4.9000%			
23	Combined Federal and State Income (ax and Property ) ax Rate (L17+L22)			4.9000%			
24	Required Operating Income	\$					
25	Adjusted Test Year Operating Income (Loss)	\$ (1,41)	7)				
26	Required Increase in Operating Income (L24 - L25)		\$ 1,417				
27	Income Taxes on Recommended Revenue (Col. (F), L52)	\$ (6,15)	0)				
28	Income Taxes on Test Year Revenue (Col. (C), L52)	\$ (6,15)	0)				
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)		\$ -				
30	Recommended Revenue Requirement	\$					
31	Uncollectible Rate (Line 10)	0.0000	Y <sub>6</sub>				
32	Uncollectible Expense on Recommended Revenue (L24 * L25)	S -					
33 34	Adjusted Test Year Uncollectible Expense Required Increase in Revenue to Provide for Uncollectible Exp.	.5	- s				
	25	12					
35 36	Property Tax with Recommended Revenue Property Tax on Test Year Revenue	3					
37	Increase in Property Tax Due to Increase in Revenue (L35-L36)	3/1	- s =				
38	Total Required Increase in Revenue (L26 + L29 + L37)		\$ 1,417	-			
		(A)	(B)	(C)	(D)	(E)	(F)
		Te	st Year	3.540	Company	Recommended	***************************************
	College of branch Ton	Total		T Water	Total	0	Water
39	Calculation of Income Tax: Revenue	3	-	Water -	\$ -	S	vvater
40	Operating Expenses Excluding Income Taxes	1,38	2	1,382	1,382		1,382
41	Synchronized Interest (L47)	23,34		23,344	23,344		23,344
42 43	Arizona Taxable Income (L39 - L40 - L41)	\$ (24,72)		\$ (24,726)	\$ (24,725)	\$	(24,726)
44	Arizona State Effective Income Tax Rate Arizona Income Tax (L42 x L43)	\$ 4.9000° \$ (1,21)		\$ (1,212)	4.9000% \$ (1,212)	S	4.9000%
45	Federal Taxable Income (L42-L44)	\$ (23,51-		\$ (23,514)	\$ (23,513)	\$	(23,514)
46	Federal Tax Rate	21.0000	%	21.00%	21.00%		21.00%
47	Federal Income Taxes	\$ (4,93)	B)	\$ (4,938)	\$ (4,938)	\$	(4,938)
48 49							
50							
51							
52	2 (500 M) S	14 5527	(c)	N 7/350	02. (7/358)	ŝ	9.030000
53 54	Total Federal Income Tax Combined Federal and State Income Tax (L35 + L42)	\$ (4,93) \$ (6,15)	5)	\$ (4,938) \$ (6,150)	\$ (4,938) \$ (6,149)	S S	(4,938)
		270142 2734240 (754200) (75470) (75470) (75470)	-21	10,100//	# 1 March 14	1,0	(0,100)
55 56	COMBINED Applicable Federal Income Tax Rate [Col. [D], L53 - Col. [A], L53 / [Col. [D], L53 - Col.	ol. [D], L45 - Col. [A], L45]			21.0000%		
	WATER Applicable Federal Income Tax Rate [Col. [F], L53 × Col. [C], L53] / [Col. [	El 145 - Col (C) 1451					0.0000%
100	TATLES Applicable redefailincome rax hate [col. [r], cos col. [c], cos] / [col. [	() C-3 - Col. [C], C-3]					0.000076
	Calculation of Interest Synchronization:		r	Water			
58	Rate Base			\$ 486,332			
59	Weighted Average Cost of Debt			4.80%			
60	Synchronized Interest (L59 X L60)		4	\$ 23,344			

Balterra Sewer, LLC

Test Year Ended December 31, 2019 Summary Cost of Capital

			End	d of Test Yea	r - Actual						
Line		-	Dollar	Percent	Rate of	Weighted					
No.	Description		Amount	of Total	Return	Return					
1											
2	Short-Term Debt	\$	*	0.00%	0.00%	0.00%					
3											
4	Long-Term Debt		€	0.00%	0.00%	0.00%					
5											
6	Common Equity	-	1,658,927	100.00%	-0.09%	-0.09%					
7											
8	Totals	_\$_	1,658,927	100.00%	-	-0.09%					
9					S .						
10											
11		ē	End o	of Test Year	- Proposed	50		End of Pro	ected Year -	Proposed F	Rates
12			Dollar	Percent	Rate of	Weighted		Dollar	Percent	Rate of	Weighted
13			Amount	of Total	Return	Cost	y	Amount	of Total	Return	Cost
14											
15	Short-Term Debt	\$	Ē	0.00%	0.00%	0.00%	\$	8	0.00%	0.00%	0.00%
16											
17	Long-Term Debt		=	0.00%	0.00%	0.00%		57	0.00%	0.00%	0.00%
18											
19	<b>Common Equity</b>	8	1,658,927	100.00%	0.00%	0.00%	-	1,658,927	100.00%	0.00%	0.00%
20											
21	Totals	\$	1,658,927	100.00%		0.00%	\$	1,658,927	100.00%		0.00%

Schedule D-1

16

Short-Term Debt

Test Year Ended December 31, 2019 Cost of Debt

Line					
No.					
1	_	End of Test Ye	ar - Actual		
2		Amount	Interest	_	
3		Outstanding	Rate		
4	Long-Term Debt	-	NA	_	
5					
6	Short-Term Debt		NA		
7				_	
8					
9					
10					
11		End of Test Yea	r - Proposed	End of Projected Yea	r - Proposed Rates
12		Amount	Interest	Amount	Interest
13		Outstanding (*)	Rate	Outstanding	Rate
14	Long-Term Debt	<del></del> -	NA	-	NA NA
15					

NA

Schedule D-2

 $\mathsf{N}\mathsf{A}$ 

Balterra Sewer, LLC Schedule D-3

Test Year Ended December 31, 2019 Cost of Preferred Stock

Line No.	
1	Schedule D-3 is not applicable as there is no preferred stock issued or
2	outstanding in any of the utilities involved in this rate case.
3	
4	
5	
6	
7	
8	
9	

anti-an-co			Test Year Ended	Prior Year Ended	Prior Year Ended
ine lo.	Account No.	Assets	12/31/2019	12/31/2018	12/31/2017
-	47047A	Current and Accrued Assets			
	131	Cash	*	#	1 <del>4</del>
	132	Special Deposits	30	5	1
	133	Other Special Deposits	<b>≡</b>	<del>∺</del>	8
	134	Working Funds	-	=	-
	135 141	Temporary Cash Investments Customer Accounts Receivable			₹5 £3
	142	Other Accounts Receivable			- 5
	143	Accumulated Provision for Uncollectable Accounts		20 24	₩ ₩
	146	Notes Receivable from Associated Companies		24	52
	151	Plant Material and Supplies	-	***	5
	162	Prepayments	143	篇	666
	173	Accrued Utility Revenue	π.	15	7
	174	Miscellaneous Current and Accrued Assets	э.	*	×
		Total Current Assets	И	벌	666
		Fixed Assets			
	101	Utility Plant in Service*	276,703	276,703	276,703
	105	Construction Work in Progress	1,172,595	1,172,595	1,172,595
	108	Accumulated Depreciation	2	2	2
	121	Non-Utility Property		## ***	<del>(1</del>
	122	Accumulated Depreciation - Non Utility Total Fixed Assets	1,449,298	1,449,298	1,449,298
			1. d • \$ 100 c and	1 DO COLORDO POR COLORD	Proposition and the second
		Other Fixed Assets			
	114	Utility Plant Acquisition Adjustment		湯	i <del>ll</del>
		Total Other Fixed Assets	9	*	<u>*2</u>
		Deferred Debits			
	190	Accumulated Deferred Income Taxes	209,629	209,691	209,316
		Total Deferred Debits	209,629	209,691	209,316
		Total Assets	1,658,927	1,658,990	1,659,280
		Liabilities and Stockholders' Equity			
					201
	231	Accounts Payable	<u> </u>	*	500
	232	Notes Payable (Current Portion)			₹ <u>#</u>
	234	Notes Payable to Associated Companies			· ·
	235 236	Customer Deposits Accrued Taxes	5	<u> </u>	₩.
	237	Accrued Interest	2	7.7. 28.	
	241	Miscellaneous Current and Accrued Liabilities	-	-	-
	253	Other Deferred Credits	915 915		94
	717.70	Total Current Liabilities	Я	72	500
	252	Advances in Aid of Construction	- W	2	22
	253	Other Deferred Credits	-	-	
	255	Accumulated Deferred Investment Tax Credits	9	2	÷≅
	271	Contributions in Aid of Construction			
	272	Less: Amortization of Contributions	×	*	
	281	Accumulated Deferred Income Tax	2		9
		Total Deferred Credits	Ħ	æ	
		Total Liabilities and Deferred Credits	3.5	ā	500
	201	Common Stock Issued	월	<u> </u>	2
	211	Other Paid-In Capital	1,741,719	1,740,365	1,737,894
	215	Unappropriated Retained Earnings	(82,792)	(81,375)	(79,114
	218	Proprietary Capital (Sole Props and Partnerships)	39900000000000000000000000000000000000	A Secretarion of the	11M000001152525
		Total Members' Equity	1,658,927	1,658,990	1,658,780
		Total Liabilities and Stockholders' Equity	1,658,927	1,658,990	1,659,280
					1,000,1000

Schedule E-2

Test Year Ended December 31, 2019 Comparative Income Statements

SD:		Test Year Ended	Test Year Ended	Test Year Ended
No.		12/31/2019	12/31/2018	12/31/20
1 a 1 m 1 77 (1990) 7 (1990) 1 (1990)	ng Revenue			
521	Flat Rate Revenues	215	<b>5</b> 東後	55250 10000
522	Measured Revenues	晋	721	720
534	Rents from Wastewater Property	-	540	(=)
536	Other Wastewater Revenues		<u></u>	3 <del>-</del> 3
Total Re	venues	5		元以
Operatir	ng Expenses			
701	Salaries and Wages		3 <del>=</del> 2)	350
704	Employee Pensions and Benefits	2	*	-
710	Purchased Wastewater Treatment		948	(m)
711	Sludge Removal Expense	8	5#8	1=11
715	Purchased Power		350	-
716	Fuel for Power Production	₩ ₩	5 <u>2</u> 8	340
718	Chemicals	<b>≅</b>	947	191
720	Materials and Supplies	_		
	Repairs and Maintenance	::. [2]	241 741	920
	Office Supplies and Expense		320	-
721	Office Expense		. <del></del>	
731	Contractual Services -Engineering			150 121
732	Contractual Services - Accounting	3	577 361	(5)
733		-	89	7
	Contractual Services - Legal	· · · · · · · · · · · · · · · · · · ·		
734	Contractual Services - Management Fees	5	<b>(4)</b>	i <del>-</del> )
735 736	Contractual Services - Testing	-	(m)	(4)
736	Contractual Services - Other	#	3.52	
740	Rents - Building	₩.	<b>3</b>	7
NEW TOP A TOP	Intentionally Left Blank	=	223	3=10
742	Rents - Equipment	#	<del>3,40</del> 8	1,53
750	Transportation Expenses	<del>-</del>	वे <del>न्</del> तिर	370
756	Insurance - Vehicle	12	1 <u>2</u> 8	·
757	Insurance - General Liability	HE .	; <del>+</del> ()	(H)
758	Insurance - Worker's Compensation	流	550	350
759	Insurance - Other	<b>2</b>	200	220
760	Advertising Expense	H	3#30	( <del>=</del> )
766	Regulatory Commission Expense - Rate Case	<b>=</b>	S=G	383
767	Regulatory Commission Expense - Other	8	<del>2</del> 2	189
770	Bad Debt Expense	· ·	3=35	(=)
775	Miscellaneous Expense	500	1,672	1,38
403	Depreciation Expense	2 2	**	10 ( <del>10</del> )
408	Taxes Other Than Income	2	Q#35	347
408.11	Property Taxes	882	877	84
	Payroll Taxes	2	33	-
	Other Taxes and Licenses	144 144	948	5 <del>-</del> 10
408.13 409	Income Taxes	35	(377)	103,21
	perating Expenses	1,417	2,261	105,52
20000 20	ng Income / (Loss)	(1,417)	(2,261)	(105,52
	come / (Expense)			
414 419	Gain/Loss on Dispositions	*	5 <del>4</del> )2	( <del>=</del> 5
419	Interest and Dividend Income	.75	978	( <del>-</del> )
421	Non-Utility Income	¥	<del>25</del> 7	197
426	Miscellaneous Non-Utility (Expense)	2	3=3	·
426 427	Interest (Expense)			5,50
	her Income / (Expense)	12 18		100
Net Inco	me / (Loss)	(1,417)	(2,261	(105,52
-10111100	(200)	(1,717)	(2,201)	(100,02

Balterra Sewer, LLC
Test Year Ended December 31, 2019
Comparative Statement of Changes in Financial Position

Schedule E-3

Line No.		Test Year Ended 12/31/2019		ior Year Ended /31/2018	Prior Year Ended 12/31/2017
1	Operating Activities		1,1,00		 112.W13.W
2	Net income (loss) \$	(1,417)	\$	(2,261)	\$ (105,525)
3	Adjustment to reconcile net income (loss)			4013/6F4CF101451	
4	Deferred compensation	8		程	2
5	Depreciation	8		æ	-
6	Amortization	3		ĕ	8
7	Amortization of deferred debt issuance costs and discou	94		<b>3</b>	9
8	Write-off of debt issuance costs	3		35	
9	Gain on sale of 303 contracts	3		뉳	2
10	(Gain) Loss on Equity Investment			æ	-
11	Other gains and losses	E		8	8
12	(Gain) Loss on disposal of fixed assets	*		9	-
13	Loss on Sale of Willow Valley			ā	-
14	Provision for doubtful accounts receivable	12		:2	2
15	Deferred income tax (benefit) expense	*		9	
16	Accounts receivables	2		2	2
17	Other Receivables	63		(375)	103,215
18	Accrued revenue	.507		%27/2 <b>%</b>	1/455/4507
19	Infrastructure coordination and financing fee receivable			2	
20	Income taxes receivable			~	-
21	Other current assets	1,354		3,137	1,810
22	Accounts payable and other current liabilities	1,007		(500)	500
23	Other noncurrent assets			(000)	-
24	Other noncurrent liabilities	된 발		:0 :4	
25	Deferred revenue and prepaid ICFA fees				
26	Net cash (used) provided by operating activities	0		1	0
27	Net cash (used) provided by operating activities	ŭ		<u> </u>	Ü
28	Investing Activities				
29	Capital expenditures	15		26	*
30	Proceeds from the sale of Willow Valley	14			22
31	Proceeds from sale of fixed and intangible assets	进		3.5	8
32	(Deposits) withdrawals of restricted cash	ā		15	5
33	Deposits	9 <del>30</del>		2	4
34	Advance in aid of construction release	.8		ä	8
35 36	Net cash used in investing activities	12		19	2
37	Financing Activities				
38	Proceeds from bond	_			_
39	Deposits in bond service fund	74		22 22	2
40	Proceeds withdrawn from bond service fund	· ·		14	-
41	Repayments of bond debt			_	_
42	(Deposit into)/ redemption from escrow for debt service	20 22		70 20	6
43	Loan borrowings	_		_	
44	Loan repayments	:6 'S		19	
45	Principal payments under capital lease				
46	Payment of Sonoran acquisition liability	~		-	_
47	Acquisition of utilities, deferred acquisition payments	.5 .2		15	5
	그렇게 되는 것들은 사이를 가장 되었다. 선생님들이 되었다면 하시면 보다 하시면 보다 하시면 되었다면 사이를 하시나 보다 되었다.	-		-	-
48	Financing costs paid	5 <del>5</del>		-55 -55	ল ল
49	Debt issuance costs paid			-	-
50	Advances in aid of construction	<b>18</b>			×
51	Dividends Paid	55		5	57
52	Proceeds from sale of stock	<b>19</b>		194	2
53	Contributions in aid of construction under ICFA agreeme	12		13	
54	Payments of offering costs for sale of stock	8		湟	2
55	Refunds of advances for construction	8		8	
56	Net cash (used) provided by financing activities	3		3	7.5
57	Net change in cash	0		1	0
58 59			<b>D</b>	0-1-2	
			Lacab	Schedule	

Line		Comm	on Stoc	ck	3	Additional	1	Retained				
No.		Shares	An	nount	Pa	id-In-Capital	â	Earnings		Total		
1					100		100 044	878		,		
2	Balance - December 31, 2016	æ	\$	180	\$	1,736,676	\$	(79,114)				
3 4												
4	Net Income							(105,525)				
5												
6	Dividends Paid							<b>#</b>		4		
7												
8 9	Other/Reclass*					1,218		105,525		106,743		
9	TORROR OF THE STREET AND A STRE				156.00	THE COURT OF THE C	77477			Marie annual constitution of the second second		
10	Balance - December 31, 2017		\$		\$	1,737,894	\$	(79,114)	\$	1,658,780		
11	Debug National Colores & Marie							TRUE HARRAND SPENS				
12	Net Income							(2,261)				
13	Manager State No. (1884 1886)											
14	Dividends Paid							2		946		
15 16	2 3 32 3 0					72 (22)						
16	Other/Reclass*					2,471						
17			¥		1				¥			
18	Balance - December 31, 2018	<del></del>	\$	( <del>3</del> 2)	\$	1,740,365	\$	(81,375)	\$	1,658,990		
19	110000 CERTANCON							77 77-1				
20	Net Income							(1,417)				
21	BUIL I BUI											
22	Dividends Paid							я		100		
23	011 - 15 - 1 - 1					4 05 4				4 054		
24	Other/Reclass*					1,354				1,354		
25	5   5   04 0040		•		•	4 744 740	•	(00 700)		4 050 007		
26	Balance - December 31, 2019	144	\$	200	\$	1,741,719	\$	(82,792)	\$	1,658,927		
27	check			( <del>*</del> ):		1,741,719		(82,792)		1,658,927		
28	*1. 1											
29	*Intercompany											

Detail Plant in Service

35

36 37 38

39 40

41 42

43

44

Total Utility Plant in Service

107 Construction Work in Progress

Total Accum. Depreciation

Total Plant

Total Net Plant

Line No.			End of Prior Year 12/31/2018		Net Additions		End of Test Year 12/31/2019	
1		Utility Plant in Service						
2	351	Organization	S	1941	\$	=	\$	·
3	352	Franchises		75		æ		ä₹.
4	353	Land and Land Rights		276,703		월 종		276,703
5	354	Structures and Improvements		4		<b>a</b>		36
6	355	Power Generation Equipment		#		~		2 <del>2</del>
7	360	Collections Wastewater - Force		7		9		-
8	361	Collections Wastewater - Gravity		49		2		32
9	362	Special Collecting Structures		<del>10</del>		Θ.		:=
10	363	Services to Customers		20		ā		35
11	364	Flow Measuring Devices		望:		발		12
12	365	Flow Measuring Installations		€		*		:-
13	366	Reuse Services		75		=		
14	367	Reuse Meters & Meter Installations		26		2		020
15	370	Receiving Wells		₩:		9		-
16	371	Pumping Equipment		Ħ		8		3 <u>5</u>
17	374	Reuse Distribution Reservoirs		<u>12</u>		2		18
18	375	Reuse Trans. And Distr. Equipment		8		=		34
19	380	Treatment and Disposal Equipment		78		8		ia.
20	381	Plant Sewers		<u> </u>		景		9
21	382	Outfall Sewer Lines		<u> </u>		9		94
22	389	Other Plant and Misc. Equipment		#:		*		95
23	390	Office Furniture and Equipment		70		ġ.		· -
24	390.1	Computer & Software		49		2		32
25	391	Transportation Equipment		<del>10</del>		*		<del>18</del>
26	392	Stores Equipment		76		ā		35
27	393	Tools, Shop and Garage Equipment		雪		댇		32
28	394	Laboratory Equipment				*		:=
29	395	Power Operated Equipment		75		=		:5
30	396	Communication Equipment		26		일		( <u>=</u>
31	397	Miscellaneous Equipment		÷		2		-
32	398	Other Tangible Plant		*		*		:#:
33		226						
34								
2.00								

S

276,703

1,172,595

1,449,298

1,449,298

\$

\$

\$

\$

276,703

1,172,595

1,449,298

1,449,298

Balterra Sewer, LLC
Test Year Ended December 31, 2019
Comparative Departmental Statements of Operating Income

Line No.		Test Year Ended 12/31/2019		Prior Year Ended 12/31/2018		Prior Year Ended 12/31/2017	
1	Operating Revenues	17477		man.		non-	
2	Residential	\$	(*)	\$	8	\$	ä
3	Commercial		(e)		2		
4		190		530		58	
5	Total Water Sales	\$	1323	\$	2:	\$	₩
6	SPREED M						
7	Miscellaneous		(E)		21		<u> </u>
8	T-6-10	<b>A</b>		\$		~	
9	Total Operating Revenues	\$	8 <b>.</b>	Þ	-,	\$	~
10 11	OPERATING EXPENSES:						
12	OPERATING EXPENSES:						
13	Operating Expenses (less tax and depreciation)	\$	500	\$	1,761	\$	1,464
14	Operating Expenses (less tax and depreciation)	12 A	500	7	1,701	7	1,404
15	Depreciation	\$	8 <del>5</del> )	\$	-	\$	Ā
16				T.			AC
17	TAXES						
18	Income Taxes	\$	35	\$	(377)	\$	103,217
19	Property taxes	45-S	882	1850	877	08/00	844
20	Other Taxes and Licenses		Œ#:		€.		*
21							
22							-16
23	TOTAL TAXES	\$	917	\$	500	\$	104,061
24							
25	<b>Total Operating Expenses</b>	\$	1,417	\$	2,261	\$	105,525
26							***
27	Operating Income/(Loss)	\$	(1,417)	\$	(2,261)	\$	(105,525)
28							
29						Rec	ap Schedule
30							E-2

## Balterra Sewer, LLC Test Year Ended December 31, 2019 Operating Statistics

Schedule E-7

Line		Test Year Ended	Prior Year Ended	Prior Year Ended
No.	Wastewater Statistics	12/31/2019	12/31/2018	12/31/2017
1				
2	Total Gallons Treated (in thousands)	(€)		-
3				
4	Wastewater Revenues from Customers	20	020	2
5				
6	Year End Number of Customers	<b>:</b>	2 <b>7</b> 0	₹.
7				
8	Annual Gallons (in Thousands)			
9	Treated Per Year End Customer	0.00	0.00	0.00
10				
11	Annual Revenue Per Year End Customer	屋()	15.00 L 10.00 L	<b>司</b>
12				
13	Pumping Costs per Year End Customer	₩)	₹##	€
14	and the absence of the second			
15	Pumping Cos per 1,000 Gallons	200 J	2 <u>4</u> 2	**

Balterra Sewer, LLC Schedule E-8

Test Year Ended December 31, 2019 Taxes Charged to Operations

19

Line No.		Er	Test Year Ended 12/31/2019		Prior Year Ended 12/31/2018		Prior Year Ended 12/31/2017	
1								
2	Federal Taxes							
3	Income	\$	35	\$	(377)	\$	103,217	
4	FICA (Employer's) *		( <del>25</del> )		1900 1900		· ·	
5	Unemployment *		5		(4)		8	
6	Total Federal Taxes	24	35		(377)		103,217	
7								
8								
9	State Taxes							
10	Income		540.		1766		<b>u</b>	
11	Property		882		877		844	
12	Other		( <del>4</del> 5)		U=1		~	
13	Unemployment *		9				8	
14	Total State Taxes	24	882		877		844	
15								
16								
17	<b>Total Taxes to Operations</b>		917		500		104,061	
18		<del></del>						

<sup>\*</sup> FICA and Unemployment are included with Salaries and Wages on C-1, E-2 and E-6.

Test Year Ended December 31, 2019 Notes to Financial Statements Schedule E-9 Page 1 of 4

Line No. 

Following are the significant accounting policies for Global Water. Please note that some of these accounting policies may only be applicable to the parent company, GWRI.

#### Basis of Presentation and Principles of Consolidation

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The Company prepares its financial statements in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"). The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates

The Company qualifies as an "emerging growth company", as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), under the rules and regulations of the SEC. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. The Company has elected to take advantage of these provisions for up to five years or such earlier time that the Company is no longer an emerging growth company. The Company has elected to take advantage of some of the reduced disclosure obligations regarding financial statements. Also, as an emerging growth company, the Company can elect to delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. The Company has chosen to take advantage of this extended accounting transition provision.

#### **Significant Accounting Policies**

#### Regulation

Our regulated utilities and certain other balances are subject to regulation by the ACC and are therefore subject to Accounting Standards Codification Topic 980, Regulated Operations ("ASC 980").

#### Property, plant, and equipment

Property, plant, and equipment is stated at cost less accumulated depreciation provided on a straight-line. Depreciation rates for asset classes of utility property, plant, and equipment are established by the ACC. The cost of additions, including betterments and replacements of units of utility fixed assets are charged to utility property, plant, and equipment. When units of utility property are replaced, renewed, or retired, their cost plus removal or disposal costs, less salvage proceeds, is charged to accumulated depreciation.

For non-utility property, plant, and equipment, depreciation is calculated by the straight-line method over the estimated useful lives of depreciable assets. Cost and accumulated depreciation for non-utility property, plant, and equipment retired or disposed of are removed from the accounts and any resulting gain or loss is included in earnings.

In addition to third party costs, direct personnel costs and indirect construction overhead costs may be capitalized. Interest incurred during the construction period is also capitalized as a component of the cost of the constructed assets, which represents the cost of debt associated with construction activity. Expenditures for maintenance and repairs are charged to expense.

### Revenue Recognition-Water Services

Water services revenues are recorded when service is rendered, or water is delivered to customers. However, in addition to the monthly basic service charge, the determination and billing of water sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each reporting period, amounts of water delivered to customers since the date of the last meter reading are estimated and the corresponding unbilled revenue is recorded.

Water connection fees are the fees associated with the application process to set up a customer to receive utility service on an existing water meter. These fees are approved by the ACC through the regulatory process and are set based on the costs incurred to establish services including the application process, billing setup, initial meter reading, and

Test Year Ended December 31, 2019 Notes to Financial Statements

Schedule E-9 Page 2 of 4

Line No. 

service transfer. Because the amounts charged for water connection fees are set by our regulator and not negotiated in conjunction with the pricing of ongoing water service, the connection fees represent the culmination of a separate earnings process and are recognized when the service is provided.

Meter installation fees are the fees charged to developers or builders associated with installing new water meters. Certain fees for meters are regulated by the ACC and are refundable to the end customer over a period of time. Refundable meter installation fees are recorded as a liability upon receipt. These fees are recognized as revenue when the service is rendered, or when a water meter is installed.

Revenue Recognition—Wastewater and Recycled Water Services

Wastewater service revenues are generally recognized when service is rendered. Wastewater services are billed at a fixed monthly amount per connection, and recycled water services are billed monthly based on volumetric fees.

Revenue Recognition-Unregulated Revenues

Unregulated Revenues represent those revenues that are not subject to the ratemaking process of the ACC. Unregulated revenues are limited to rental revenue and imputed revenues resulting from certain infrastructure coordination and financing agreement arrangements ("ICFAs").

Allowance for Doubtful Accounts

Provisions are made for doubtful accounts due to the inherent uncertainty around the collectability of accounts receivable. The allowance for doubtful accounts is recorded as bad debt expense, and is classified as general and administrative expense. The allowance for doubtful accounts is determined considering the age of the receivable balance, type of customer (e.g., residential or commercial), payment history, as well as specific identification of any known or expected collectability issues.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments in debt instruments with an original maturity of three months or less.

Restricted Cash

Restricted cash represents cash deposited relating to HUF tariffs, asset retirement obligations and pending legal matters. *Income Taxes* 

The Company utilizes the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Test Year Ended December 31, 2019 Notes to Financial Statements

Schedule E-9 Page 3 of 4

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We evaluate uncertain tax positions using a two-step approach. Recognition (step one) occurs when we conclude that a tax position, based solely on its technical merits, is more-likely-than-not to be sustained upon examination. Measurement (step two) determines the amount of benefit that more-likely-than-not will be realized upon settlement. Derecognition of a tax position that was previously recognized would occur when we subsequently determine that a tax position no longer meets the more-likely-than-not threshold of being sustained. The use of a valuation allowance as a substitute for derecognition of tax positions is prohibited, and to the extent that uncertain tax positions exist, we provide expanded disclosures. Goodwill

Goodwill represents the excess purchase price over the fair value of net tangible and identifiable intangible assets acquired through acquisitions. Goodwill is not amortized, it is instead tested for impairment annually, or more often, if circumstances indicate a possible impairment may exist. As required, we evaluate goodwill for impairment annually, and do so as of November 1 of each year, and at an interim date if indications of impairment exist. When testing goodwill for impairment, we may assess qualitative factors, including macroeconomic conditions, industry and market considerations, overall financial performance, and entity specific events to determine whether it is more likely than not that the fair value of an operating and reportable segment is less than its carrying amount. We utilize internally developed discounted future cash flow models, third-party appraisals, or broker valuations to determine the fair value of the reporting unit. Under the discounted cash flow approach, we utilize various assumptions requiring judgment, including projected future cash flows, discount rates, and capitalization rates. Our estimated future cash flows are based on historical data, internal estimates, and external sources. We then compare the estimated fair value to the carrying value. If the carrying value is in excess of the fair value, an impairment charge is recorded to asset impairments within our consolidated statement of operations in the amount by which the reporting unit's carrying value exceeds its fair value, limited to the carrying value of goodwill.

Intanaible Assets

Intangible assets not subject to amortization consist of certain permits expected to be renewable indefinitely, water rights and certain service areas acquired in transactions which did not meet the definition of business combinations for accounting purposes, and are considered to have indefinite lives. Intangible assets with indefinite lives are not amortized but are tested for impairment annually, or more often if certain circumstances indicate a possible impairment may exist. Amortized intangible assets consist primarily of acquired ICFA contract rights.

**Debt Issuance Costs** 

In connection with the issuance of some of our long-term debt, we have incurred legal and other costs that we believe are directly attributable to realizing the proceeds of the debt issued. These costs are netted against long-term debt and amortized as interest expense using the effective interest method over the term of the respective debt.

Impairment of Long-Lived Assets

Management evaluates the carrying value of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. If an indicator of possible impairment exists, an undiscounted cash flow analysis would be prepared to determine whether there is an actual impairment. Measurement of the impairment loss is based on the fair value of the asset. Generally, fair value will be determined using appraisals or valuation techniques such as the present value of expected future cash flows.

Test Year Ended December 31, 2019
Notes to Financial Statements

Schedule E-9 Page 4 of 4

Line No. 

### Advances and Contributions in Aid of Construction

The Company has various agreements with developers and builders, whereby funds, water line extensions, or wastewater line extensions are provided to us by the developers and are considered refundable advances for construction. These AIAC are non-interest-bearing and are subject to refund to the developers through annual payments that are computed as a percentage of the total annual gross revenue earned from customers connected to utility services constructed under the agreement over a specified period. Upon the expiration of the agreements' refunding period, the remaining balance of the advance becomes nonrefundable and at that time is considered CIAC. CIAC are amortized as a reduction of depreciation expense over the estimated remaining life of the related utility plant. For rate-making purposes, utility plant funded by AIAC or CIAC are generally excluded from rate base.

#### Fair Value of Financial Instruments

The carrying values of cash equivalents, trade receivables, and accounts payable approximate fair value due to the short-term maturities of these instruments. Portions of these non-interest-bearing instruments are payable annually through 2032 and amounts not paid by the contract expiration dates become nonrefundable. Their relative fair values cannot be accurately estimated because future refund payments depend on several variables, including new customer connections, customer consumption levels, and future rate increases. However, the fair value of these amounts would be less than their carrying value due to the non-interest-bearing feature.

#### Segments

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker ("CODM") in deciding how to allocate resources and in assessing operating performance. In consideration of ASC 280—Segment Reporting the Company notes it is not organized around specific products and services, geographic regions, or regulatory environments. The Company currently operates in one geographic region within the State of Arizona, wherein each operating utility operates within the same regulatory environment.

While the Company reports its revenue, disaggregated by service type, on the face of its Statements of Operations, the Company does not manage the business based on any performance measure at the individual revenue stream level. The Company does not have any customers that contribute more than 10% to the Company's revenues or revenue streams. Additionally, we note that the CODM uses consolidated financial information to evaluate the Company's performance, which is the same basis on which he communicates the Company's results and performance to the Board of Directors. It is upon this consolidated basis from which he bases all significant decisions regarding the allocation of the Company's resources on a consolidated level. Based on the information described above and in accordance with the applicable literature, management has concluded that the Company is currently organized and operated as one operating and reportable segment.

Balterra Sewer, LLC Schedule F-1

Test Year Ended December 31, 2019

Projected Income Statements - Present and Proposed

Line		Test Year Actual	Present Rates Year Ended	T- <b>8</b> 03 <b>(</b> *014032040*1440\$400	Proposed Rates Year Ended
No.		12/31/2019	12/31/2020	Adjustments	12/31/2020
1 2	Operating Revenues	\$ :	\$ -	\$	\$
3	701 Salaries and Wages		2		52
4	701 Salaries and Wages 704 Employee Pensions and Benefits		<u></u>		1951
5	710 Purchased Wastewater Treatment	355 825	환 왕	1550 1560	5#8 1925
6	711 Sludge Removal Expense	-			
7	715 Purchased Power	E. AG	#: sr	:55) :000	1550 1550
8	716 Fuel for Power Production	-	-	1991	100.
9	718 Chemicals		Ē.	323	155A
10	720 Materials and Supplies	707	20	583	685 685
11	720 Repairs and Maintenance	-	-	-	
12				\$76 196	3.55 2012
	720 Office Supplies and Expense	-	-	1-2	3. <del>4</del> 7
13	721 Office Expense		8	370	W7.1
14	731 Contractual Services -Engineering	Sec	*i	:#01 500	UES OUS
15	732 Contractual Services - Accounting	-	-		47 <u>-</u> 25
16	733 Contractual Services - Legal	. <del></del>	51	***	2 <del>5</del> 2
17	734 Contractual Services - Management Fees	-	*	(ma)	(G)
18	735 Contractual Services - Testing		8		
19	736 Contractual Services - Other	9	독 100	191	3.8i
20	740 Rents - Building		25	197	7/4/
21	Intentionally Left Blank				
22	742 Rents - Equipment	迢	25	929	REI
23	750 Transportation Expenses	762	Si	(B)	\$ <b>.</b>
24	756 Insurance - Vehicle	¥	*	9849	8.83
25	757 Insurance - General Liability	9.5			7
26	758 Insurance - Worker's Compensation	3	<u>₩</u>	0.000	<b></b> (•□
27	759 Insurance - Other	를	20	120	929
28	760 Advertising Expense		5:	158	8.5h
29	766 Regulatory Commission Expense - Rate Case	2	÷	(40)	N#G
30	767 Regulatory Commission Expense - Other		ă ă		
31	770 Bad Debt Expense	<b>9</b>	#	388	11-
32	775 Miscellaneous Expense	500	500	528	500
33	403 Depreciation Expense		5	878	659
34	408 Taxes Other Than Income	**	8	(40)	
35	408 Property Taxes	882	882	95%	882
36	408 Payroll Taxes	æ	81	198	8:0
37	408 Other Taxes and Licenses	32	29		325
38	409 Income Taxes	35	35	(20)	35
39	Total Operating Expenses	1,417	1,417	(4)	1,417
40	SEE VEELS II EE STAN DETTAL STAN SEED SEE E				
41	Operating Income / (Loss)	(1,417)	(1,417)	130	(1,417)
42		S			*******
43	OTHER INCOME / (EXPENSE				
44	414 Gain/Loss on Dispositions	0	E 5	F27	REL
45	419 Interest and Dividend Income	27		190	5000
46	421 Non-Utility Income	704 F21	2	929	PE
47	426 Miscellaneous Non-Utility (Expense)		5	558	1:51
48	427 Interest (Expense)		5i 2:	1918 1918	250 250
49	Total Other Income / (Expense)		2	5	741
50	Tame Sales Institute (Exhauss)				
51	NET INCOME / (LOSS)	\$ (1,417)	\$ (1,417)	\$ =	\$ (1,417)

Balterra Sewer, LLC Test Year Ended December 31, 2019 Projected Statements of Changes in Financial Position Present and Proposed Rates Schedule F-2

				65	Project			
#1#N/194d			1447.0004.0404.0506.00		Present		Proposed	
Line No.			est Year /31/2019		Rates /31/2020		Rates /31/2020	
1	Operating Activities	12	13112013	12	13 1/2020	12	3112020	
2		S	(4 447)	S	(4 447)	\$	/4 /47	
	Net income (loss)	3	(1,417)	Þ	(1,417)	Ф	(1,417	
3 4	Adjustment to reconcile net income (loss)  Deferred compensation							
5	The state of the s		(7) (4)					
	Depreciation Amortization		en e				33	
6 7	Amortization Amortization of deferred debt issuance costs and discounts		(52)		2			
	Write-off of debt issuance costs		150/ 1500		F3		15	
8	Gain on sale of 303 contracts		5-8		-		-	
9			7736		3			
10	(Gain) Loss on Equity Investment		390				134	
11	Other gains and losses				3			
12	(Gain) Loss on disposal of fixed assets		126 126				18	
13	Loss on Sale of Willow Valley		±-02		~		-	
14	Provision for doubtful accounts receivable		652				15	
15	Deferred income tax (benefit) expense		10-21					
16	Accounts receivables		-		<u>.</u>		-	
17	Other Receivables		63		63		63	
18	Accrued revenue		50		-		12	
19	Infrastructure coordination and financing fee receivable				7			
20	Income taxes receivable		995		100000000		TALKY.	
21	Other current assets		1,354		1,354		1,354	
22	Accounts payable and other current liabilities		5 <del>-0</del> 3		*		33	
23	Other noncurrent assets		( <u>-</u> 0		-		-	
24	Other noncurrent liabilities		3,733		15		is.	
25	Deferred revenue and prepaid ICFA fees		545		9		14	
26	Net cash (used) provided by operating activities		0		0		0	
27								
28	Investing Activities							
29	Capital expenditures		5.2V		-		2	
30	Proceeds from the sale of Willow Valley		392		3		18	
31	Proceeds from sale of fixed and intangible assets		-7:		-		12	
32	(Deposits) withdrawals of restricted cash		173		<b>3</b> 1		4	
33	Deposits		1940		9		()	
34	Advance in aid of construction release		7-5)		- 8			
35	Net cash used in investing activities		10007				35	
36								
37	Financing Activities							
38	Proceeds from bond		0.00		-		196	
39	Deposits in bond service fund		740		9			
40	Proceeds withdrawn from bond service fund		520		3		3	
41	Repayments of bond debt		545 545		÷			
42	(Deposit into)/ redemption from escrow for debt service		100		35		12	
43	Loan borrowings		:- <b>-</b> ):					
44	Loan repayments		926		-		2	
45	Principal payments under capital lease		53%		-		_	
46	Payment of Sonoran acquisition liability		5576 8980		70: (#)		**************************************	
47	Acquisition of utilities, deferred acquisition payments		(41)		214		10	
48	Financing costs paid		3.43					
49	Debt issuance costs paid		5750 (7 <u>4</u> 8)		2		10	
50	Advances in aid of construction				-		-	
51	Dividends Paid		196		50 90		22	
52	Proceeds from sale of stock		(20)		25		10	
53	Contributions in aid of construction under ICFA agreements		120					
54	Payments of offering costs for sale of stock		1755 1940		S (4)		:0 2	
55	Refunds of advances for construction				-			
56	Net cash (used) provided by financing activities		(5)		<u></u>		).e	
57	Net change in cash		0		0		0	
58	iner smange in cash		U		U		U	
59	Supporting Schedules:			Recar	Schedule			
	E-3			A-5				

## Balterra Sewer, LLC Schedule F-3

Test Year Ended December 31, 2019 Projected Construction Requirements

Line		Through 12/31/2020		Through 12/31/2021		Through 12/31/2022	
No.	Property Classification						
1							
2	Well Development	\$	<b>:</b> :::::::::::::::::::::::::::::::::::	\$	10-61	\$	Α.
3							
4	Water Distribution Centers						
5							
6	Treatment and/or Blending						
7							
8	Pipelines						
9							
10	SCADA						
11							
12	Other						
13		16					
14	Totals	_\$	3	\$	4	\$	Ē
15		(Sch	. B-2.1)				

Balterra Sewer, LLC Schedule F-4

Test Year Ended December 31, 2019 Assumptions

Line No. 

Revenues and expenses were projected using the pro forma changes to the test year ending December 31, 2019. Actual expenses incurred during the test year ending December 31, 2019, were considered when developing pro forma adjustments. Where known and measurable changes are expected to occur, those changes are applied to determine pro form adjustments.

Construction forecasts are based on estimated plant requirements including new facilities, the replacement of existing facilities, and the improvement and maintenance of infrastructure necessary to ensure safe and reliable service.

 Balterra Sewer, LLC

Test Year Ended December 31, 2019 Schedules G- thru G-7 Cost of Service Study

Balterra Sewer, LLC has no customers, no revenue, and no rate of return. A cost of service study, which apportions rate of return to different classes of customers cannot be performed when there are no customers.

### Balterra Sewer, LLC

Test Year Ended December 31, 2019 Schedule H-1 thru H-5 Revenues by customer class and billing analysis.

Balterra Sewer, LLC has no customers and no revenue. Therefore there is no revenue to assign to different customer classes and there is no billing data to analyze.

# Balterra Sewer, LLC\_Hassayampa Utility Company, Inc. Consolidated Test Year Ended December 31, 2019 Computation of Increase in Gross Revenue Requirement

Schedule A-1

Line No.	DESCRIPTION	1	[A]	[B]		[C] RIGINAL COST	[D] FAIR VALUE
IVO.	DESCRIPTION					0001	VALUE
1 2	Adjusted Rate Base					1,075,007	1,075,007
3	Adjusted Operating Income (Loss)					(5,128)	(5,128)
5	Current Rate of Return (Line 3 /Line 1)					-0.48%	-0.48%
7 8	Required Operating Income (Line 9 * Line 1)					*	₹î
9	Required Rate of Return					0.00%	0.00%
11 12	Operating Income Deficiency (Line 7 - Line 3)					5,128	5,128
13 14	Gross Revenue Conversion Factor					1.0515	1.0515
15 16	Increase in Gross Revenue Requirements					Ü	2
17 18	Customer	D,	esent	Proposed		Dollar	Percent
19	Classification	(2)(3)	Rates	Rates	Ji	ncrease	Increase
20 21	Residential				\$		0.0%
22	Commercial				Э		0.0%
23	Irrigation					-	0.0%
24	Hydrant						0.0%
25	Lake					-	0.0%
26 27	Non-Potable (Raw Water)					55 55 55	0.0%
28	Total of Water Revenues	\$	i San	\$ 表力	\$	50	0.0%
29 30 31	Miscellaneous Revenues	\$	51 <del>4</del> 51	\$ 5800	\$	#	0.0%
32	Total Operating Revenues	\$	-	\$ (4)	\$	20	0.0%
33 34 35	Total Adjusted Revenues (Schedule C-1)	\$	(195)	\$ 154	\$	8	0.0%

35 36 37

Supporting Schedules:

38 B-1

39

C-1 C-3 40

41 H-1

Test Year Ended December 31, 2019 Summary of Results of Operations

		9 <u>12</u> 025		2-8256VT		2 <u>22</u> 0078				Projected \		
Intransi		Prio	r Years E	nded	83		Year			Present	Proposed	
Line No.	Description	12/31/2017		/31/2018	4	Actual 2/31/2019		Adjusted 12/31/2019		Rates 12/31/2021	Rates 12/31/2021	
1	Gross Revenues	\$	- \$	-	\$		\$	-	\$	- \$	-	
2												
3	Revenue Deductions and											
4	Operating Expenses	402,	626	6,948		5,128		5,128		5,128	5,128	
5		Th. #444000107		7.400.000.000.000				*			***************************************	
6	Operating Income	(402,	626)	(6,948)		(5,128)		(5,128)		(5,128)	(5,128)	
7	01 1 1 1 1 1											
8	Other Income and Deductions		Ħ	73		851		<u>₽</u>		5	5	
10	Interest Expense		-	#1		(( <del>)</del> )		i <del>-</del>				
11	interest Expense			71		6250		477		150	-	
12	Net Income	(402,	626)	(6,948)		(5,128)		(5,128)		(5,128)	(5,128)	
13		1,000	5,75%			1					10,000	
14	Common Shares	1,	000	1,000		1,000		1,000		1,000	1,000	
15												
16	Earned Per Average											
17	Common Share	NA	NA		NA		NA		NA	NA		
18												
19	Dividends Per											
20	Common Share	NA	NA		NA		NA		NA	NA		
21		521762	108/247		2020		7058161		1360/19:	200		
22	Payout Ratio	NA	NA		NA		NA		NA	NA		
23 24	Datum on Augusta											
25	Return on Average Invested Capital	NA	NA		NA		NA		NA	NA		
26	invested Capital	1974	INA		INA		INM		INA	IVA		
27	Return on Year End											
28	Capital	NA	NA		NA		NA		NA	NA		
29	(alternations)	124310	70071524							(1)0500		
30	Return on Average											
31	Common Equity	NA	NA		NA		NA		NA	NA		
32												
33	Return on Year End											
34	Common Equity	NA	NA		NA		NA		NA	NA		
35												
36	Times Bond Interest Earned	822.28	1000000		12/27417		neure		0.550	9297789		
37	Before Income Taxes	NA	NA		NA		NA		NA	NA		
38 39	Times Total Interest and											
40	Preferred Dividends Earned											
41	After Income Taxes	NA	NA		NA		NA		NA	NA		
42	Antel moonie rakes	136	14/4		IVA					NA		
43												
44	Supporting Schedules:											
45	E-2											
46	C-1											
47	F-1											

Test Year Ended December 31, 2019 Summary of Capital Structure

Line		Prior Ye	ears Ended	Test Year	Projected Year
No.	Description	12/31/2017	12/31/2018	12/31/2019	12/31/2021
1	Short-Term Debt	\$	\$ -	\$	\$ -
2		****	•	9607	73400
3	Long-Term Debt	925	v 19 <del>7</del> 0	D.	1570
4	<b>3</b>				
5	Total Debt	2 <del>3</del>	9 1951	E	
6					
7	Preferred Stock	1)8		*	8 <del>4</del> 8
8					
9	Common Equity	3,847,577	3,848,684	3,884,840	3,884,840
10	S. Son english and the son of the single of the first and the son of the single of the son of the single of the si	Get Det standt de dette	antinos residensiona	EMBIC:01/296020	92 MS 543 VII M 553 VII VII VII VII VII VII VII VII VII VI
11	Total Capital	3,847,577	3,848,684	3,884,840	3,884,840
12	With Control of Control Contro	544 <b>4</b> 6362 [46.0 <b>6</b> -2736-00]	CONTRACTORES ON CONTRACTOR	F-128409-227-98-608-6-65	70- <b>A</b> 022-30077-8-9-9-9-9-9-9-9-9-9-9-9-9-9-9-9-9-9-9
13	Capitalization Ratios:				
14					
15	Short-Term Debt	Ste.	te u <del>s</del> t		12 <b>5</b> 7
16					
17	Long-Term Debt	OB	e 1952	夢	20%
18	90				
19	Total Debt	208	6 3064	*	196
20					
21	Preferred Stock	32	929	22	548
22					
23	Common Equity	1009	6 100%	100%	100%
24					
25	Total Capital	1009	6 100%	100%	100%
26					
27	Weighted Cost of				
28	Short-Term Debt	535	0 3(#1	*	101
29					
30	Weighted Cost of				
31	Long-Term Debt	19	V. 1940	2	
32					
33	Weighted Cost of				
34	Senior Debt	3		ë	
35					
36					
37	Supporting Schedules:				
38	E-1				
39	D-1				

Schedule A-4

Test Year Ended December 31, 2019

Construction Expenditures and Gross Utility Plant Placed in Service

Line No.			Constr Expend	Plac	Plant ed In vice	Gross Utility Plant In Service		
1	Prior Year Ended	12/31/2017	\$	-	\$	-	\$	_
2 3 4	Prior Year Ended	12/31/2018		-		-		-
5 6	Test Year Ended	12/31/2019		-		-		-
7 8 9	Projected Year Ended	12/31/2020		-		-		-
10								
11								
12								
13	Supporting Schedules:							
14	F-3							
15	E-5							

# Balterra Sewer, LLC\_Hassayampa Utility Company, Inc. Consolidated Test Year Ended December 31, 2019

Comparative Statement of Changes in Financial Position

					Projecte		
Line		Prior Years E	ndad	Test Veer	Present Rates	Proposed Rates	
No.			/31/2018	12/31/2019	12/31/2020	12/31/2020	
2001		Committee of the Commit	(3011)38 (1130)		1303.11		
l,	NE CONTRACTOR AND						
2	Operating Activities	20 000 22 02	81	8 3S	S 51 - 250	200 M	
3	Net income (loss)	\$ (402,626) \$	(6,948)	\$ (5,128)	\$ (5,128)	\$ (5,128	
4	Adjustment to reconcile net income (loss)						
5 6	Deferred compensation	σ.	55			107	
7	Depreciation Amortization		55 26			95	
3	Amortization Amortization of deferred debt issuance costs and discounts		20	-		172	
)	Write-off of debt issuance costs	55	25	3	2	63	
10	Gain on sale of 303 contracts		#6 #8	8	17	10	
11	(Gain) Loss on Equity Investment		**			33	
12	Other gains and losses	£6	20	3	9	7.0	
13	(Gain) Loss on disposal of fixed assets	말	£2	8	12	7/2	
14	Loss on Sale of Willow Valley	Ē.	70	8	55	135	
15	Provision for doubtful accounts receivable	sand	78	8	15	9	
16	Deferred income tax (benefit) expense	(712)	*	8	9	33	
7	Accounts receivables		29	<b>₽</b>	- F	(C)	
18	Other Receivables	397,060	(1,476)	16	16	16	
19	Accrued revenue	哥	€	ā	5	0.5	
20	Infrastructure coordination and financing fee receivable	8	*8	8	25	3.6	
21	Income taxes receivable	5,777	8,930	41,440	41.440	41,440	
23	Other current assets Accounts payable and other current liabilities	500	(505)	3,073	41,440 3,073	3,073	
24	Other noncurrent assets	300	(303)	3,073	3,073	3,073	
25	Other noncurrent liabilities				× ×	29	
26	Deferred revenue and prepaid ICFA fees	¥	28	9	4	52	
27	Net cash (used) provided by operating activities	(1)	1	39,401	39,401	39,401	
28		15000		[240. <b>\$</b> 60 <b>9</b> 686	22256W85V1	(C1008) (40)	
29	Investing Activities						
30	Capital expenditures		15	(39,401)	(39,401)	(39,401	
31	Proceeds from the sale of Willow Valley	*	36	(3.0)	35	(0)	
32	Proceeds from sale of fixed and intangible assets	€	9	195	3	23	
33	(Deposits) withdrawals of restricted cash	≅	ŭ	28	ĕ	192	
34	Deposits	8	1	30	5	100	
35	Advance in aid of construction release	5	35	(2)			
36	Net cash used in investing activities	8	80	(39,401)	(39,401)	(39,401	
37	THE COURSE ASSESSMENT AND PROPERTY AND ADDRESS AND ADD						
38	Financing Activities						
39	Proceeds from bond	₽	29	=	19	7(2	
10	Deposits in bond service fund	2	20	8	2	7,0	
11	Proceeds withdrawn from bond service fund	σ.	55	17		107	
12	Repayments of bond debt	39	*5	3	28	95	
13	(Deposit into)/ redemption from escrow for debt service	×	**	*	2	100	
14 15	Loan borrowings Loan repayments	55	-0	8		75	
16	Principal payments under capital lease	2	- 8	8	8	3.5	
17	Payment of Sonoran acquisition liability	2	23	20	99 14	100	
18	Acquisition of utilities, deferred acquisition payments		25	3	2	500 500	
19	Financing costs paid	鉴	20	8	4	72	
50	Debt issuance costs paid	5.	70			0.5	
51	Advances in aid of construction	,	76	8		196	
2	Dividends Paid	8	*3	*	*	38	
53	Proceeds from sale of stock	2	- DO	Si	2		
54	Contributions in aid of construction under ICFA agreements	150	- 2	Ę	2	772	
55	Payments of offering costs for sale of stock	즉	≅	- 5	要	02	
56	Refunds of advances for construction		*	3	25	7.6	
57	Net cash (used) provided by financing activities		¥8	· ·	56	104	
58	Net change in cash	0	1	營	0	0	
59	e a ser au						
60	Supporting Schedules						

<sup>61</sup> E-3

<sup>62</sup> F-2

## Balterra Sewer, LLC\_Hassayampa Utility Company,

Schedule B-1

Test Year Ended December 31, 2019 Summary of Fair Value Rate Base

		Original Cost
Line		Rate Base
No.		As Filed
1	Plant in Service	278,280
2	Less: Accumulated Depreciation	-
3		
4	Net Plant in Service	278,280
5		
6	LESS:	
7	Net CIAC	-
8	Advances in Aid of Construction (AIAC)	-
9	Customer Deposits	-
10	Deferred Income Tax Credits	-
11		
12	ADD:	
13	Unamortized Finance Charges	
14	Deferred Tax Assets	796,727
15	Working Capital	
16	Utility Plant Acquisition Adjustment	
17		
18	Original Cost Rate Base	1,075,007
19		
20		
21	Supporting Schedules:	
22	B-2	
23	B-3	
24	E-1	
25	B-5	

Test Year Ended December 31, 2019

Detail Plant in Service

Schedule B-2 Page 1 of 2

		A	B PTYP	C	D	<b>E</b> 5	E	G	$\mathbf{H}$
		Actual	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment	Adjusted
Line		Test Year	1	2	3	4	5	6	Test Year
No.	1000 M 21 M 21 M	End	B.2.1	B.2.2	B.2.3	B.2.4	B.2.5	B.2.6	As Filed
1	Utility Plant in Service								
2	351 Organization	10 <del>1</del> 21							( <del>*</del>
3	352 Franchises	read the							
4	353 Land and Land Rights	278,280							278,280
5	354 Structures and Improvements	0.33							(12)
6	355 Power Generation Equipment	E-20							(2)
7	360 Collections Wastewater - Force	1124							1/2-1
8	361 Collections Wastewater - Gravity	020							( <del>-</del> )
9	362 Special Collecting Structures	1554							87.5
10	363 Services to Customers	1 100							5.5±
11	364 Flow Measuring Devices	12.55E							923
12	365 Flow Measuring Installations	199							(#P)
13	366 Reuse Services	2390							3 <del>4</del> 6
14	367 Reuse Meters & Meter Installations	1983							383
15	370 Receiving Wells	5.97							((*)
16	371 Pumping Equipment	1996							1 <u>66</u> 5
17	374 Reuse Distribution Reservoirs	1000							828
18	375 Reuse Trans. And Distr. Equipment	7/28							W23
19	380 Treatment and Disposal Equipment	200							·
20	381 Plant Sewers	11.00							2570
21	382 Outfall Sewer Lines	1454							11-
22	389 Other Plant and Misc. Equipment	12 (40)							70.0
23	390 Office Furniture and Equipment	(14)							0(*0
24	390.1 Computer & Software	1997							191
25	391 Transportation Equipment	200							P46
26	392 Stores Equipment	1141							500
27	393 Tools, Shop and Garage Equipment	94							7025
28	394 Laboratory Equipment	182							828
29	395 Power Operated Equipment	120							920
30	396 Communication Equipment	191							ISE.
31	397 Miscellaneous Equipment	7.53							200
32	398 Other Tangible Plant	0.75							NF.3
	398 Other rangible Plant	512							375
33 34									876
									( <del>(*</del> )
35	W . 177.71 . BL	270 200							278,280
36	Total Utility Plant in Service	278,280	S	8	影	9毫5	9-01	19	278,280
37		2.012.001							2.012.001
38	107 Construction Work in Progress	2,812,901							2,812,901
39	Chemical Programme Control of Con	NACT AND A STATE OF							at Water State V
40	Total Plant	3,091,181	*	3	8		50	9	3,091,181
41	CONTRACTOR APPLICATION CONTRACTOR OF CONTRAC								
42	Total Accum. Depreciation								85°s
43	TABLET OF A SEPTEMBER OF THE								20220000
44	Total Net Plant	3,091,181		ž.	8	56	148	3	3,091,181

# Balterra Sewer, LLC\_Hassayampa Utility Company, Inc. Consolidated Test Year Ended December 31, 2019

Schedule B-2 Page 2 of 2

		UNADJUSTED		ADJ #B1 PTYP	ADJ #B2 ADIT	ADJ #B3	ADJ #B4	ADJ #B5	ADJ #B6	ADJ #B7	ADJUSTED
Gross P	lant in Service	27	8,280	128	(25)	2	19	525	ă	<u> </u>	278,280
Less:											
	Accumulated Depreciation		28	945	100	18	23	198	12	26	(\$2)
	Net Plant in Service	27	8,280	128	25	2	17.	525	ä	<u> 1</u> /	278,280
Less:											
	Advances in Aid of Constructio		48								841
	Contributions in Aid of Construc	ction									
	Gross		15								973
	Accumulated Amortization		8								3 <del>-3</del> 1
	Net Contributions in Aid of Con		18								821
	Deferred Income Tax		13	876							57.5
	Customer Deposits		150								33
Add:											
	Working Capital		13								959
	Deferred Tax Assets	79	6,727								796,727
T I.D.	-	1.02	E 007								1.075.007
I otal R	ate Base:	1,0/	5,007	573	- 58		- 5	900	- 5	- 5	1,075,007

Test Year Ended December 31, 2019 Schedule B-3 RCND Rate Base Pro forma Schedule B-3

## LINE NO.

4 5 6

1	The Company has opted not to perform a RCND study and adopts its
2	original cost rate base as the fair value rate base.
3	

Test Year Ended December 31, 2019 Schedule B-4 RCND By Major Plant Account Schedule B-4

### LINE NO.

4 5 6

1	The Company has opted not to perform a RCND study and adopts its
2	original cost rate base as the fair value rate base.
3	

Test Year Ended December 31, 2019 Schedule B-5 Computation of Working Capital

### LINE NO.

1	Operating Expenses	Test Year Results		Revenue Lag Days		Expense Lag Days		Net Lag Days		Lead / Lag Factor			rking Cash quirement
2 3	Purchased Power	\$	1,644,009	\$	39	\$	24	\$	16	\$	0	\$	71,683
4	Payroll		5,849,624		39		9		31		0		492,369
5	Chemicals		265,021		39		9 17		22		0		16,221
6	Property & Liability Insurance		280,025		39		2		37		0		28,546
7	Worker's Compensation Insurance		90,650		39		(69)		108		0		26,932
8	Medical, Vision, Dental, LTD & Life Insurance		642,050		39		3		36		0		63,543
9	Other O&M (Excluding Rate Case Expense)		1,053,862		39		38		1		0		3,028
9 10	Federal Income Taxes		86,375		39		38		2		0		463
11	State Income Taxes		141,000		39		38		2 31		0		757
12	FICA Taxes		371,590		39		9		31		0		31,277
13	FUTA & SUTA Taxes		4,979		39		9		31		0		419
14	Property Taxes		2,165,582		39		180		(140)		(0)		(831,277)
15	Registration, Svc. Contracts, & Misc. Fees		1,683,381		39		34		5		0		24,643
16	Retirement Annuities (401k)		163,492		39		66		(26)		(0)		(11,665)
17													
18	Total	\$	14,441,639									\$	(83,060)
19		-											
20													
21	Supporting Schedules											Rec	p Schedules
22	(a) E-1											B-1	

Test Year Ended December 31, 2019 Schedule B-5 Computation of Working Capital Schedule B-5 Page 2 of 2

### LINE NO.

						Allocation
	Total	Working		2019 Year		of
	Cash			End	Percent	Working
1	Requ	irement	Company	Counts	Allocation	Capital
2	\$	(83,060)	Palo Verde	21,109	46.1%	\$ (38,307)
3			Santa Cruz	21,357	46.7%	(38,757)
4			North Scottsdale	92	0.2%	(167)
5			Tonopah	413	0.9%	(749)
6			Eagletail	57	0.1%	(103)
7			Turner Ranches	963	2.1%	(1,748)
8			Red Rock Sewer	883	1.9%	(1,602)
9			Red Rock Water	896	2.0%	(1,626)
10				45,770		
11						
12			Palo Verde RRS Consolida	ated		(39,909)
13			Santa Cruz RRW Consolid	lated		(40,383)

# Balterra Sewer, LLC\_Hassayampa Utility Company, Inc. Consolidated Test Year Ended December 31, 2019 Adjusted Test Year Income Statement

			[A]	[B]	[C]	[D]	[E]
N	<b>.</b> .		Actual Test Year	Pro Forma Adjustments - As Filed	Adjusted Test Year - As Filed	Proposed Rate Increase	Adjusted With Rate Increase
1	Operation	ng Revenue		200000000000000000000000000000000000000			
2	521	Flat Rate Revenues	•	8		3	30
3	522	Measured Revenues	<b>S</b>	- 8		3	5
4	534	Rents from Wastewater Property	127	52	350	2	127
5	536	Other Wastewater Revenues	U233	12	7520	2	0.00
6			3 <u>6</u> 5	12	523	2	866
7	LC		1880 1880	謹	181	<u> </u>	HEQ.
B 9	Total Re	evenues	经国际	12	(#)	HT:	940
0	Operation	ng Expenses					
1	701	Salaries and Wages	<b>可能</b>	1≧		9	6 <u>1</u> 6
2	704	Employee Pensions and Benefits	(34)6	9	764	9	(343)
3	710	Purchased Wastewater Treatment	6,255	32	545		6.255
	711	Sludge Removal Expense	(9)	€	(4)		(40)
5	715	Purchased Power	19 <b>.</b> 0	18	9*1	⊕	
;	716	Fuel for Power Production	190	9	3.20	*	193
	718	Chemicals	390	€		*	560
à	720	Materials and Supplies	(*)	9	3€3		380
	720.1	Repairs and Maintenance	8 <del>+</del> 8	8	3+3	8	£€5
	720.2	Office Supplies and Expense	HEED	( <del>8</del>	3#F	**	<del>(4</del> 0
	721	Office Expense	60	135	60		60
ij.	731	Contractual Services -Engineering	578	33	5583		578
18	732	Contractual Services - Accounting	13#34	8	10 to	8	559.
	733	Contractual Services - Legal	509	15	509	75	509
	734	Contractual Services - Management Fees	3 <del>8</del> 27	7 <del>1</del>	(6)		583
	735	Contractual Services - Testing	858	18	(5.5)	85	878
26	736	Contractual Services - Other	550	18	358	2	550
	740	Rents - Building	4 <b>3</b> 0	題	135		820
	742	Rents - Equipment	656	15	859	55	(PEC)
	750	Transportation Expenses	059	1.5	257.0	(5)	070
	756	Insurance - Vehicle	(F)	£5	9.70	T.	(3%)
	757	Insurance - General Liability		· ·		5	- 20
	758	Insurance - Worker's Compensation		9		3	
겙	759	Insurance - Other	•	9			
	760	Advertising Expense		ğ	•	8	
ij.	766	Regulatory Commission Expense - Rate Case	156	12	727	2	126
133	767	Regulatory Commission Expense - Other	U499	12	7027	2	U2N
	770	Bad Debt Expense	555	12	528	2	5 <u>6</u> 5
Į.	775	Miscellaneous Expense	1,281	12	1,281	9	1,281
i.	403	Depreciation Expense	550	12	928	2	920
	408	Taxes Other Than Income	(52))	12	980		(54))
2		Property Taxes	3,366	12	3,366		3,366
2		Payroll Taxes	-	12	-	~	4
3		Other Taxes and Licenses	1	Si Si		*	140
5	409	Income Taxes	(88)	38	(88)	*	(88
3	l otal O	perating Expenses	5,128	强	5,128	*	5,128
7	Operation	na Incomo //L ana)	(5,128)	12	(5,128)	92	(5,128
9	Operati	ng Income / (Loss)	(5,126)		(3,120)		(5,120
0	Other In	come / (Expense)					
	414	Gain/Loss on Dispositions	£ <del>+</del> 5	8	(*)	*	<u>1</u> (₩1)
	419	Interest and Dividend Income	H#E		3#36	<b>*</b>	1680
i i	421	Non-Utility Income	( <del>4</del> 01		(*)		1901
33	426	Miscellaneous Non-Utility (Expense)	199		0.±0		1000
	427	Interest (Expense)	19#32	H	1871	*	19#32
		her Income / (Expense)	676	18	3.5	5	582
9	Not be	sma ( () aaa)	/E 400		/F 400		/E 400
3	Net Inco	ome / (Loss)	(5,128)	15	(5,128)		(5,128

# Baiterra Sewer, LLC\_Hassayampa Utility Company, Inc. Consolidated Test Year Ended December 31, 2019 Adjusted Test Year Income Statement

o No.	Actual Test Year	B Adjustment 1 Bad Debt C.2.1	2	D Adjustment 3 Income Tax C.2.3	E Adjustment 4 BLANK C.2.4	F Adjustment 5 Depreciation G.2.5	6	H Adjustment 7 Bonus Exclusi C.2.7	8	J Adjustment 9 Half Yr Conv C 2 9	Adjustment 10 C.2.10	Adjustment 11 C.2.11	M Adjustment 12 C.2.12	N Adjustment 13 C.2.13	0 Adjustment 14 C.2.14	P Adjustment 15 C.2.15	Adjusted Test Year As Filed	R Adjustment 16 Bad Debt C.2.1	S Adjustment 17 Property Tax C.2.2	T Adjustment 18 Income Tax C.2.3	U Adjustment 19 Revenue Increas A-1	V Adjustment 20 a Income Tax	Adjusted With Rate increase
1 Operating Revenue 2 521 File Rate Revenues 3 522 Measured Revenues 4 534 Rents from Wastewater Property 536 Other Wastewater Revenues 5																	*						MAP IN TAR
8 Total Revenues	- 12	.59	100	1965	1%	- 20	393	26	45		×	198	1%	92	190	[2]	12	547	(3)	\$1.	.9	(A)	- 5
10 Operating Expenses 12 704 Employee Persions and Benefits 12 704 Serioused Wastewater Treatment 14 711 Sludge Removal Expense 15 715 Purbased Wastewater Treatment 15 715 Purbased Power 16 716 Fuel for Power Production 17 718 Chemicals 16 720 Materials and Supples 17 7218 Chemicals 17 720 Repairs and Marintanaco 17 720. Repairs and Marintanaco 17 720. Powers and Marintanaco 17 720. Repairs and Marintanaco 17 720. Talegars and Marintanaco 17 720. Talegars and Marintanaco 17 720. Talegars and Marintanaco 18 720. Talegars and Marintanaco 19 720. Talegars an	509 509 1,281 3,366 (88)																609 509 1,281 3,366						609 5099 1,281
46 Total Operating Expenses	5,128	75	120	1/28	- 12	20	igni	0-2	200	7.5	140	0.28	12	- 2	29Ni	0-7	5,128	100	1.2	ATT.	22/	2	5,12
48 Operating Income / (Loss)	(5,128)	- 9		(42	- 3	- 70	5.65	g,	7.	- 59		(8)	- 15	71	1,65	9.	(5,128)	1.60	16.	*		- 3:	(5,12)
19	Sylvasins																(a) (b)						CHARLANA
56 Total Other Income / (Expense)	(6	- 14		-83	- 15		(147)		- 10			-20	- 10		1967	- 3	470	1247	15.	- 5			- 24
58 Net Income / (Loss)	(5,128)	- 59	91	736	- 2	- 51	24)7	9	23	- 22	91	736	- 22	53	24)7	20	(5.128)	33.5	(R)	96	- 1	19	(5.128

Test Year Ended December 31, 2019 Adjusted Test Year Income Statement Schedule C-3 Page 1 of 2

Line		Percentage of Incremental Gross
<u>No.</u>	Description	<u>Revenues</u>
1	Combined Federal and State Effective Income Tax Rate	4.9000%
2	Uncollectible Revenue Effective Rate	0.0000%
3	Property Taxes Effective Rate	0.0000%
4	Total Tax Percentage	4.9000%
5		
6	Operating Income % = 100% - Tax Percentage	95.1000%
7		
8		
9 10		
11	1 = Gross Revenue Conversion Factor	
12	Operating Income %	1.051525
13	operating moonie 70	1.031323
14		
15		
16		
17		
18		
19		
20		
21		
22	CURRORTING COUERUI SO	DECAR COLIEBUILES
23 24	SUPPORTING SCHEDULES: C-3, page 2	RECAP SCHEDULES: A-1

Schedule C-3 Page 2 of 2

### GROSS REVENUE CONVERSION FACTOR

Line No.	Description	(A)	(B)		(C)	33	(D)	[E]		[F]
140.	Calculation of Gross Revenue Conversion Factor:									
1	Revenue	100.00	00%							
2	Uncollectible Factor (Line 11) Revenues (L1 - L2)	0.00								
4	Combined Federal and State Income Tax and Property Tax Rate (Line 23)	4.90	00%							
6	Subtotal (L3 - L4) Revenue Conversion Factor (L1 / L5)	95.10 1.05								
	Calculation of Uncollectible Factor:	30000								
7	Unity	100,00								
8	Combined Federal and State Tax Rate (L17) One Minus Combined Income Tax Rate (L7 - L8 )									
10	Uncollectible Rate	0.00	00%	DEED						
11	Uncollectible Factor (L9 * L10 )		0.000	00%						
12	Calculation of Effective Tax Rate: Operating Income Before Taxes (Arizona Taxable Income)	100.00	0.0%							
13	Arizona State Income Tax Rate	4.90	00%							
14	Federal Taxable Income (L12 - L13) Applicable Federal Income Tax Rate (L55 Col F)	95.10 0.00								
16	Effective Federal Income Tax Rate (L14 x L15)	0.00	00%							
17	Combined Federal and State Income Tax Rate (L13 +L16)		4,900	00%						
18	Calculation of Effective Property Tax Factor Unity	100.00	00%							
19	Combined Federal and State Income Tax Rate (L17)	4.90	00%							
20	One Minus Combined Income Tax Rate (L18-L19) Property Tax Factor	95.10 0.00								
22	Effective Property Tax Factor (L20*L21)	15	0.000	00%						
23	Combined Federal and State Income Tax and Property Tax Rate (L17+L22)				4.9000%					
	Required Operating Income	\$	Street							
25 26	Adjusted Test Year Operating Income (Loss) Required Increase in Operating Income (L24 - L25)	\$ (5,	128)	128:						
		NATE DISCOURTS								
27 28	Income Taxes on Recommended Revenue (Col. (F), L52) Income Taxes on Test Year Revenue (Col. (C), L52)		131) 131)							
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)	1 200	\$	£0						
30	Recommended Revenue Requirement	<u>s</u>	51, <sub>110</sub>							
31	Uncollectible Rate (Line 10) Uncollectible Expense on Recommended Revenue (L24 * L25)	\$ 0.00	00%							
33	Adjusted Test Year Uncollectible Expense	\$	E SEARCE							
34	Required Increase in Revenue to Provide for Uncollectible Exp.		5							
35 36	Property Tax with Recommended Revenue Property Tax on Test Year Revenue	S	ē.							
37	Increase in Property Tax Due to Increase in Revenue (L35-L36)	1880	s	*2						
38	Total Required Increase in Revenue (L26 + L29 + L37)		\$ 5,1	128						
		(A)	(B)	72.5	(C)	99	(D)	[E]		[F]
			Test Year		3.7			ecommended		
	Calculation of Income Tax:	Total		Ĭ.	Water	Total				Vater:
39	Revenue Operating Expenses Excluding Income Taxes	\$	216	S	5,216	\$	5,216		\$	5,216
41	Synchronized Interest (L47)	51,	600		51,600	and the same of th	51,600			51,600
42	Arizona Taxable Income (L39 - L40 - L41) Arizona State Effective Income Tax Rate	\$ (56, 4.90	816)	S	(56,816) 4.9000%	\$	(56,816) 4,9000%		S	(56,816) 4.9000%
44 45	Arizona Income Tax (L42 x L43)	\$ (2,	784)	S	(2,784)	\$	(2,784)		S	(2,784)
46	Federal Taxable Income (L42- L44) Federal Tax Rate	21.00			(54,032) 21.00%		(54,032) 21.00%			(54,032)
47 48	Federal Income Taxes	\$ (11,	347)	s	(11,347)	\$	(11,347)		S	(11,347)
49										
50 51										
52		2000			1000000000	-	V4295342		-	25527020007
53 54	Total Federal Income Tax Combined Federal and State Income Tax (L35 + L42)	S (11, S (14,	131)	\$	(11,347)	\$	(11,347)	- 1	\$	(11,347)
	COMBINED Applicable Federal Income Tax Rate [Col. [D], L53 - Col. [A], L53 / [	W. 1	100,	NO. 7		14-1	0.0000%			
56							0.0000%			
57	WATER Applicable Federal Income Tax Rate [Col. [F], L53 - Col. [C], L53] / [Col.	[F], L45 - Col. [C], L45]								0.0000%
	Calculation of Interest Supercontration		9	I Wate	05					
58	Calculation of Interest Synchronization: Rate Base				1,075,007					
59 60	Weighted Average Cost of Debt Synchronized Interest (L59 X L60)		7	S	4.80% 51.600					

Test Year Ended December 31, 2019 Summary Cost of Capital

End of Test Year - Actual Dollar Line Rate of Weighted Percent No. of Total Return Description Amount Return 1 2 Short-Term Debt \$ 0.00% 0.00% 0.00% 3 0.00% 4 Long-Term Debt 0.00% 0.00% 5 6 Common Equity 3,884,840 100.00% -0.13% -0.13% 7 8 Totals 3,884,840 100.00% -0.13% 9 10 11 End of Test Year - Proposed End of Projected Year - Proposed Rates 12 Dollar Rate of Weighted Dollar Percent Rate of Weighted Percent 13 of Total of Total Amount Return Cost Amount Return Cost 14 15 Short-Term Debt \$ 0.00% 0.00% \$ 0.00% 0.00% 0.00% 0.00% 16 17 Long-Term Debt 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 18 19 **Common Equity** 3,884,840 100.00% 0.00% 0.00% 0.00% 3,884,840 100.00% 0.00% 20 21 **Totals** 3,884,840 100.00% 0.00% 3,884,840 100.00% 0.00%

### Schedule D-2

# Balterra Sewer, LLC\_Hassayampa Utility Company, Inc. Consolidated Test Year Ended December 31, 2019

Cost of Debt

Line					
No.	_				
1		End of Test Ye	ear - Actual		
2		Amount	Interest	_	
3		Outstanding	Rate		
4	Long-Term Debt	•	NA	_	
5					
6	Short-Term Debt		NA		
7				_	
8					
9					
10					
11		End of Test Yea	r - Proposed	End of Projected Yea	r - Proposed Rates
12		Amount	Interest	Amount	Interest
13		Outstanding (*)	Rate	Outstanding	Rate
14	Long-Term Debt	-	NA		NA
15					
16	Short-Term Debt	-	NA	-	NA
17					

Schedule D-3

Test Year Ended December 31, 2019 Cost of Preferred Stock

12

Line	
No.	
1	Schedule D-3 is not applicable as there is no preferred stock issued or
2	outstanding in any of the utilities involved in this rate case.
3	
4	
5	
6	
7	
8	
9	
10	
11	

Test Year Ended December 31, 2019

Comparative Balance Sheets

Test Year Prior Year Prior Year Line Ended Ended Ended No. 12/31/2019 12/31/2018 12/31/2017 1 Assets 2 3 Account No. Current and Accrued Assets 4 131 Cash 5 132 Special Deposits 6 133 Other Special Deposits Working Funds 7 134 8 135 Temporary Cash Investments 9 141 Customer Accounts Receivable 10 142 Other Accounts Receivable 143 Accumulated Provision for Uncollectable Accounts 11 12 146 Notes Receivable from Associated Companies 13 151 Plant Material and Supplies 14 162 Prepayments 1,031 15 Accrued Utility Revenue 173 16 174 Miscellaneous Current and Accrued Assets 1,031 17 **Total Current Assets** 18 19 **Fixed Assets** 20 101 Utility Plant in Service\* 278,280 278,280 278,280 21 Construction Work in Progress 2,773,500 105 2.812.901 2,773,500 22 108 Accumulated Depreciation 23 Non-Utility Property 121 24 Accumulated Depreciation - Non Utility 122 25 3,091,181 3,051,781 3,051,781 Total Fixed Assets 26 27 Other Fixed Assets 114 Utility Plant Acquisition Adjustment 28 29 Total Other Fixed Assets 30 31 **Deferred Debits** 190 Accumulated Deferred Income Taxes 796,727 796,742 795,266 32 33 **Total Deferred Debits** 796,742 796,727 795,266 34 35 **Total Assets** 3,887,908 3,848,522 3,848,078 36 37 Liabilities and Stockholders' Equity 38 Accounts Payable 39 231 3,068 500 40 Notes Payable (Current Portion) 232 41 234 Notes Payable to Associated Companies 42 235 **Customer Deposits** 43 236 Accrued Taxes (5) 44 237 Accrued Interest 45 Miscellaneous Current and Accrued Liabilities 241 46 253 Other Deferred Credits 47 Total Current Liabilities 3,068 500 (5) 48 49 252 Advances in Aid of Construction 50 253 Other Deferred Credits 51 255 Accumulated Deferred Investment Tax Credits 52 Contributions in Aid of Construction 271 53 Less: Amortization of Contributions 272 54 281 Accumulated Deferred Income Tax 55 **Total Deferred Credits** 56 Total Liabilities and Deferred Credits 500 57 3,068 (5)58 201 Common Stock Issued 100 100 59 100 60 211 Other Paid-In Capital 4,339,191 4,297,906 4,289,852 61 215 Unappropriated Retained Earnings (442,374)(454,450)(449, 322)218 Proprietary Capital (Sole Props and Partnerships) 62 63 3,884,840 3,848,684 3,847,577 Total Members' Equity 64 Total Liabilities and Stockholders' Equity 3,887,908 65 3,848,679 3,848,077

# Balterra Sewer, LLC\_Hassayampa Utility Company, Inc. Consolidated Test Year Ended December 31, 2019

Comparative Income Statements

		Test Year Ended	Test Year Ended	Test Year Ended
о.		12/31/2019	12/31/2018	12/31/2017
Operati	ng Revenue			
521	Flat Rate Revenues	馬	550	3 <b>2</b> 5
522	Measured Revenues	15	528	950
534	Rents from Wastewater Property	#	( <del>4</del> )(	(=)
536	Other Wastewater Revenues	ä	3E	98.3
Total Re	evenues	5	(*)	₩X
Operati	ng Expenses			
701	Salaries and Wages	*	( <del>**</del> )	<b>35</b> 0
704	Employee Pensions and Benefits	2		100 A
710	Purchased Wastewater Treatment	100	9 <b>2</b> 8	120
711	Sludge Removal Expense	æ	5 <del>,4</del> 05	t <del>e</del> n
715	Purchased Power	57	3 <del>5</del> €	970
716	Fuel for Power Production	별	520	140
718	Chemicals	=	; <b>-</b> €(	961
720	Materials and Supplies		550	150
720.1	Repairs and Maintenance	皆	523	227
720.2	Office Supplies and Expense	H	380	(10)
721	Office Expense	60	7	7
731	Contractual Services -Engineering	<u>u</u>	**	197
732	Contractual Services - Accounting	<u>~</u>	(147)	3=15
733	Contractual Services - Legal	509	89	76
734	Contractual Services - Management Fees	21 3	<b>(4)</b>	100
735	Contractual Services - Testing	2	(m))	3433
736	Contractual Services - Other	#	( <u>**</u> )	350
740	Rents - Building	8	规	170
	Intentionally Left Blank	120	9 <b>2</b> B	120
742	Rents - Equipment	#	9#8	163
750	Transportation Expenses	57	清明(	350
756	Insurance - Vehicle	12	<b>12</b> 0	320
757	Insurance - General Liability		i <b>+</b> 0	; <b>⊢</b> ]:
758	Insurance - Worker's Compensation	<del></del>	550	150
759	Insurance - Other	₩	<b>199</b>	920
760	Advertising Expense	¥	3#/	( <b>4</b> )
766	Regulatory Commission Expense - Rate Case	×	S=0	353
767	Regulatory Commission Expense - Other	<u>u</u>	<del>- 1</del>	197
770	Bad Debt Expense	·	(147)	340
775	Miscellaneous Expense	1,281	5,248	2,482
403	Depreciation Expense			
408	Taxes Other Than Income	2	( <b>ui</b> )}	(4)
	Property Taxes	3,366	3,081	2,999
	Payroll Taxes		`` <b>`</b>	100
408.13	Other Taxes and Licenses	<u> </u>	94B	3 <b>=</b> 10
409	Income Taxes	(88)	(1,477)	
Total O	perating Expenses	5,128	6,948	402,626
	S 504 X	19-2 19-30 500	1 9000000000000000000000000000000000000	
Operati	ng Income / (Loss)	(5,128)	(6,948)	(402,626)
Other In	come / (Expense)			
414	Gain/Loss on Dispositions	H	160	( <del>-</del> 1)
419	Interest and Dividend Income		( <b>-</b> ):	3=31
421	Non-Utility Income	<u> 12</u>	147	127
426	Miscellaneous Non-Utility (Expense)	ਤੋਂ ਵ	2575 2 <b>4</b> 51	00V 68V
427	Interest (Expense)		( <b>=</b> )/	· ·
	ther Income / (Expense)		(#)	3000 E
Not Inc	ome / (Loss)	(5,128)	(6.049)	(402,626)
WET INCO	me / (LOSS)	(5,128)	(6,948)	(402,626)

# Balterra Sewer, LLC\_Hassayampa Utility Company, Inc. Consolidated Test Year Ended December 31, 2019 Comparative Statement of Changes in Financial Position

Line No.		Test Year Ended 12/31/2019		Prior Year Ended 12/31/2018	Prior Year Ended 12/31/2017	
1	Operating Activities	100001000000000000000000000000000000000				
2	Net income (loss)	\$ (5,1	28) \$	(6,948)	\$	(402,626)
3	Adjustment to reconcile net income (loss)	ACTOR ACTOR (S	SHALLING INC.	VJ-001F22.7F57501		0.564.20.00000.000
4	Deferred compensation		5	≅		2
5	Depreciation		×	×		*
6	Amortization		ā	ž.		ž
7	Amortization of deferred debt issuance costs and discounts		*	*		2
8	Write-off of debt issuance costs		×	≅		=
9	Gain on sale of 303 contracts		-	9		€
10	(Gain) Loss on Equity Investment		8	8		=
11	Other gains and losses			8		9
12	(Gain) Loss on disposal of fixed assets		8	₩		9
13	Loss on Sale of Willow Valley		7	5		5
14	Provision for doubtful accounts receivable		¥	2		21 000000000
15	Deferred income tax (benefit) expense		*	*		(712)
16	Accounts receivables		2 08	See assistan		
17	Other Receivables		16	(1,476)		397,060
18	Accrued revenue		<u>=</u>	5		5
19	Infrastructure coordination and financing fee receivable		2	=		2
20	Income taxes receivable		*			
21	Other current assets	41,4		8,930		5,777
22	Accounts payable and other current liabilities	3,0	073	(505)		500
23	Other noncurrent assets		8	n n		ā
24	Other noncurrent liabilities		2	=		-
25	Deferred revenue and prepaid ICFA fees					
26 27	Net cash (used) provided by operating activities	39,4	801	1		(1)
28	Investing Activities					
29	Capital expenditures	(39,4	01)			
30	Proceeds from the sale of Willow Valley	32 0	200	¥		2
31	Proceeds from sale of fixed and intangible assets		8	H		-
32	(Deposits) withdrawals of restricted cash		n .	8		0
33	Deposits		2			2
34	Advance in aid of construction release		Ħ	=		8,
35 36	Net cash used in investing activities	(39,4	01)	22		<b>a</b> ′
37	Financing Activities					
38	Proceeds from bond		_	_		-
39	Deposits in bond service fund		2			2
40	Proceeds withdrawn from bond service fund		2	_		_
41	Repayments of bond debt		_	_		-
42	(Deposit into)/ redemption from escrow for debt service		2	= = = = = = = = = = = = = = = = = = =		2
43	Loan borrowings			-		-
44	Loan repayments		2	2		2
45	Principal payments under capital lease		*			*
46	Payment of Sonoran acquisition liability					-
47	Acquisition of utilities, deferred acquisition payments		=	<u> </u>		2
48	Financing costs paid		5			*
49	Debt issuance costs paid		E .	8		6
50	Advances in aid of construction		*	н.		
51	Dividends Paid		=	9		-
52	Proceeds from sale of stock		¥	-		2
53	Contributions in aid of construction under ICFA agreements		ā	=		7
54	Payments of offering costs for sale of stock		5	5		8
55	Refunds of advances for construction		×	×		Ξ.
56	Net cash (used) provided by financing activities		ā	8		2
57	Net change in cash		0	1		(1)
58 59			<u></u>			
			Rec	ap Schedule		

Schedule E-4

# Balterra Sewer, LLC\_Hassayampa Utility Company, Inc. Consolidated Test Year Ended December 31, 2019 Statement of Changes in Stockholders' Equity

Line	_ine		Common Stock			Additional		Retained		
No.		Shares	Amount		Pa	id-In-Capital		Earnings		Total
1						639		8748		
2 3 4	Balance - December 31, 2016	æ	\$	100	\$	4,288,634	\$	(442,374)		
3										
4	Net Income							(402,626)		
5										
6 7	Dividends Paid							Œ.		<u> </u>
7										
8 9	Other/Reclass*					1,218		394,228		395,446
9										
10	Balance - December 31, 2017		\$	100	\$	4,289,852	\$	(450,772)	\$	3,839,179
11 12										
12	Net Income							(6,948)		
13										
14 15	Dividends Paid							22		349
15										
16	Other/Reclass*					8,054		8,398		
17			¥		1.				¥	
18	Balance - December 31, 2018	5.	\$	100	\$	4,297,906	\$	(449, 322)	\$	3,848,683
19	VIND THE A PRINCIPLE WILLS							770a ( 1700/00)		
20	Net Income							(5,128)		
21	PANTE MODERN PONTA									
22	Dividends Paid							H		100
23 24	78W 78 1 2					44.00=				
24	Other/Reclass*					41,285				41,285
25	B   B   1   04   0040			400	•	1 000 101	•	(454.450)		0.004.044
26	Balance - December 31, 2019	12	\$	100	\$	4,339,191	\$	(454,450)	\$	3,884,841
27	check			100		4,339,191		(454,450)		3,884,840
28	34. 3									
29	*Intercompany									

# Balterra Sewer, LLC\_Hassayampa Utility Company, Inc. Consolidated Test Year Ended December 31, 2019

Detail Plant in Service

Line No.				End of Prior Year 2/31/2018	A	Net dditions	End of Test Year 2/31/2019
1		Utility Plant in Service					
2	351	Organization	S	7/4/	\$	E	\$ æ
3		Franchises		75		Ħ	387
4		Land and Land Rights		278,280		8	278,280
5	354	Structures and Improvements		4		2	7 <u>4</u> 7
6		Power Generation Equipment		#		=	( <del>)</del> (2)
7	360	Collections Wastewater - Force		25		5	17/
8	361	Collections Wastewater - Gravity		43		2	329
9	362	Special Collecting Structures		<del>10</del>		*	<del>(2</del> )
10	363	Services to Customers		5		ā	55/
11		Flow Measuring Devices		¥1		2	22A
12	365	Flow Measuring Installations		€		*	(30)
13	366	Reuse Services		₹		- 5	(T)
14	367	Reuse Meters & Meter Installations		24		2	( <u>E</u> ).
15	370	Receiving Wells		÷		2	(=)
16		Pumping Equipment		5		5	\$#2
17		Reuse Distribution Reservoirs		- 5		3	120
18	375	Reuse Trans. And Distr. Equipment		€		=	346
19	380	Treatment and Disposal Equipment		75		B	G# ?
20		Plant Sewers				ā	-
21	382	Outfall Sewer Lines		₽		2	345
22		Other Plant and Misc. Equipment		#		*	( <del>5</del> 0)
23	390	Office Furniture and Equipment		25		50	1 <del>2</del> 7
24	390.1	Computer & Software		#		2	雲字
25	391	Transportation Equipment		₩		*	湯
26	392	Stores Equipment		<u> </u>		ā	37/
27	393	Tools, Shop and Garage Equipment		<u> </u>		12	826
28	394	Laboratory Equipment		€		*	380
29	395	Power Operated Equipment		型		-5	1 <del>1</del> 5
30	396	Communication Equipment		21		2	<u>(₹</u> /,
31	397	Miscellaneous Equipment		÷		9	<del>(4</del> 0)
32	398	Other Tangible Plant		5		5	172
33							
34							
35							
36		Total Utility Plant in Service	\$	278,280	\$		\$ 278,280
37							
38 39	107	Construction Work in Progress		2,773,500		39,401	2,812,901
40 41		Total Plant		3,051,781		39,401	3,091,181
42		Total Accum. Depreciation		]100		*	
43 44		Total Net Plant	S	3,051,781	\$	39,401	\$ 3,091,181

Test Year Ended December 31, 2019

Comparative Departmental Statements of Operating Income

Line No.			est Year Ended /31/2019		ior Year Ended /31/2018	Prior Year Ended 12/31/2017		
1	Operating Revenues							
2	Residential	\$	; <del>(=</del> )	\$	e	\$	Ħ	
3	Commercial		( <del>*</del>		Ę		2	
4		4600		2796.0		559		
5	Total Water Sales	\$	1943	\$	24	\$	2	
6								
7	Miscellaneous		164		21		質	
8	Sile: No. 1400209 NATO 1029	****		F0.1415		7000		
9	Total Operating Revenues	\$	8500	\$	-	\$	*	
10	TO SHARKE SHOW SERVED OF MY THE DESIGNATION SERVED.							
11	OPERATING EXPENSES:							
12		+10 <b>#</b> AC	0000-0020-2712 F	-in- <b>4</b> 263	2022-00126-002600	(79 <b>8</b> %	MANUAR SPILLE	
13	Operating Expenses (less tax and depreciation)	\$	1,850	\$	5,344	\$	2,565	
14	- National Control of the Control of	(25)		326				
15	Depreciation	\$	35)	\$	5	\$	幕	
16								
17	TAXES		(aa)		(4.00)			
18	Income Taxes	\$	(88)	\$	(1,477)	\$	397,062	
19	Property taxes		3,366		3,081		2,999	
20	Other Taxes and Licenses		(2 <del>m)</del>		~		*	
21		-						
22	TOTAL TAYES	\$	2 270		1 604	\$	400.001	
23 24	TOTAL TAXES	Ş	3,278	\$	1,604	Ş	400,061	
25	Total Operating Eupeness	č	E 120	ć	6.049	č	402 626	
26	Total Operating Expenses	\$	5,128	\$	6,948	\$	402,626	
27	Operating Income/(Loss)	\$	(5,128)	\$	(6,948)	\$	(402,626)	
28	Operating income/(coss)	Ş	(3,128)	P	(0,346)	Ş	(402,020)	
29						Pos	ap Schedule	
30						Nec	ap scriedule E-2	

Schedule E-7

Test Year Ended December 31, 2019 Operating Statistics

Line	Wasternates Obstitution	Test Year Ended	Prior Year Ended	Prior Year Ended
No.	Wastewater Statistics	12/31/2019	12/31/2018	12/31/2017
2	Total Gallons Treated (in thousands)	<b>₩</b> 0	1 <del>9</del> 5	-
3 4 5	Wastewater Revenues from Customers	<b>2</b> 0	(2)	2
5				
6	Year End Number of Customers	<b>35</b> ()	2004	₹.
7				
8	Annual Gallons (in Thousands)			
7 8 9	Treated Per Year End Customer	0.00	0.00	0.00
10				
11	Annual Revenue Per Year End Customer	票//	\$1000 kg. 1011 Stee	ā
12				
13	Pumping Costs per Year End Customer	₩)	±=:	=
14				
15	Pumping Cos per 1,000 Gallons	25.0)	4 <u>0</u> 2	Ĭ.
16				
17				

Test Year Ended December 31, 2019

Taxes Charged to Operations

19

20

Line No.		E	Test Year Ended 12/31/2019			Prior Year Ended 12/31/2017	
1							
2	Federal Taxes						
3	Income	\$	(88)	\$	(1,477)	\$	397,062
4	FICA (Employer's) *		ss: e: ##3		185 %G 186 U#sl		
5	Unemployment *		5		( <del>-</del> )		3
6	Total Federal Taxes	» <del>.</del>	(88)		(1,477)		397,062
7							
8							
9	State Taxes						
10	Income		£ <u>∆</u> ().		1986		置
11	Property		3,366		3,086		2,999
12	Other		90 (#5)		%i (/ <del>=</del> //		-
13	Unemployment *		9		( <del>-</del> )		<b>3</b>
14	Total State Taxes		3,366		3,086		2,999
15							
16							
17	<b>Total Taxes to Operations</b>		3,278		1,609		400,061
18							

<sup>\*</sup> FICA and Unemployment are included with Salaries and Wages on C-1, E-2 and E-6.

Test Year Ended December 31, 2019 Notes to Financial Statements Schedule E-9 Page 1 of 4

Line No. 

Following are the significant accounting policies for Global Water. Please note that some of these accounting policies may only be applicable to the parent company, GWRI.

#### Basis of Presentation and Principles of Consolidation

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The Company prepares its financial statements in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"). The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates

The Company qualifies as an "emerging growth company", as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), under the rules and regulations of the SEC. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. The Company has elected to take advantage of these provisions for up to five years or such earlier time that the Company is no longer an emerging growth company. The Company has elected to take advantage of some of the reduced disclosure obligations regarding financial statements. Also, as an emerging growth company, the Company can elect to delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. The Company has chosen to take advantage of this extended accounting transition provision.

#### **Significant Accounting Policies**

#### Regulation

Our regulated utilities and certain other balances are subject to regulation by the ACC and are therefore subject to Accounting Standards Codification Topic 980, Regulated Operations ("ASC 980").

#### Property, plant, and equipment

Property, plant, and equipment is stated at cost less accumulated depreciation provided on a straight-line. Depreciation rates for asset classes of utility property, plant, and equipment are established by the ACC. The cost of additions, including betterments and replacements of units of utility fixed assets are charged to utility property, plant, and equipment. When units of utility property are replaced, renewed, or retired, their cost plus removal or disposal costs, less salvage proceeds, is charged to accumulated depreciation.

For non-utility property, plant, and equipment, depreciation is calculated by the straight-line method over the estimated useful lives of depreciable assets. Cost and accumulated depreciation for non-utility property, plant, and equipment retired or disposed of are removed from the accounts and any resulting gain or loss is included in earnings.

In addition to third party costs, direct personnel costs and indirect construction overhead costs may be capitalized. Interest incurred during the construction period is also capitalized as a component of the cost of the constructed assets, which represents the cost of debt associated with construction activity. Expenditures for maintenance and repairs are charged to expense.

### Revenue Recognition-Water Services

Water services revenues are recorded when service is rendered, or water is delivered to customers. However, in addition to the monthly basic service charge, the determination and billing of water sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each reporting period, amounts of water delivered to customers since the date of the last meter reading are estimated and the corresponding unbilled revenue is recorded.

Water connection fees are the fees associated with the application process to set up a customer to receive utility service on an existing water meter. These fees are approved by the ACC through the regulatory process and are set based on the costs incurred to establish services including the application process, billing setup, initial meter reading, and

Test Year Ended December 31, 2019 Notes to Financial Statements Schedule E-9 Page 2 of 4

service transfer. Because the amounts charged for water connection fees are set by our regulator and not negotiated in conjunction with the pricing of ongoing water service, the connection fees represent the culmination of a separate earnings process and are recognized when the service is provided.

Meter installation fees are the fees charged to developers or builders associated with installing new water meters. Certain fees for meters are regulated by the ACC and are refundable to the end customer over a period of time. Refundable meter installation fees are recorded as a liability upon receipt. These fees are recognized as revenue when the service is rendered, or when a water meter is installed.

Revenue Recognition—Wastewater and Recycled Water Services

Wastewater service revenues are generally recognized when service is rendered. Wastewater services are billed at a fixed monthly amount per connection, and recycled water services are billed monthly based on volumetric fees.

Revenue Recognition-Unregulated Revenues

Unregulated Revenues represent those revenues that are not subject to the ratemaking process of the ACC. Unregulated revenues are limited to rental revenue and imputed revenues resulting from certain infrastructure coordination and financing agreement arrangements ("ICFAs").

Allowance for Doubtful Accounts

Provisions are made for doubtful accounts due to the inherent uncertainty around the collectability of accounts receivable. The allowance for doubtful accounts is recorded as bad debt expense, and is classified as general and administrative expense. The allowance for doubtful accounts is determined considering the age of the receivable balance, type of customer (e.g., residential or commercial), payment history, as well as specific identification of any known or expected collectability issues.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments in debt instruments with an original maturity of three months or less.

Restricted Cash

Restricted cash represents cash deposited relating to HUF tariffs, asset retirement obligations and pending legal matters. *Income Taxes* 

The Company utilizes the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Test Year Ended December 31, 2019 Notes to Financial Statements Schedule E-9 Page 3 of 4

We evaluate uncertain tax positions using a two-step approach. Recognition (step one) occurs when we conclude that a tax position, based solely on its technical merits, is more-likely-than-not to be sustained upon examination. Measurement (step two) determines the amount of benefit that more-likely-than-not will be realized upon settlement. Derecognition of a tax position that was previously recognized would occur when we subsequently determine that a tax position no longer meets the more-likely-than-not threshold of being sustained. The use of a valuation allowance as a substitute for derecognition of tax positions is prohibited, and to the extent that uncertain tax positions exist, we provide expanded disclosures.

Goodwill represents the excess purchase price over the fair value of net tangible and identifiable intangible assets acquired through acquisitions. Goodwill is not amortized, it is instead tested for impairment annually, or more often, if circumstances indicate a possible impairment may exist. As required, we evaluate goodwill for impairment annually, and do so as of November 1 of each year, and at an interim date if indications of impairment exist. When testing goodwill for impairment, we may assess qualitative factors, including macroeconomic conditions, industry and market considerations, overall financial performance, and entity specific events to determine whether it is more likely than not that the fair value of an operating and reportable segment is less than its carrying amount. We utilize internally developed discounted future cash flow models, third-party appraisals, or broker valuations to determine the fair value of the reporting unit. Under the discounted cash flow approach, we utilize various assumptions requiring judgment, including projected future cash flows, discount rates, and capitalization rates. Our estimated future cash flows are based on historical data, internal estimates, and external sources. We then compare the estimated fair value to the carrying value. If the carrying value is in excess of the fair value, an impairment charge is recorded to asset impairments within our consolidated statement of operations in the amount by which the reporting unit's carrying value exceeds its fair value, limited to the carrying value of goodwill. Intanaible Assets

Intangible assets not subject to amortization consist of certain permits expected to be renewable indefinitely, water rights and certain service areas acquired in transactions which did not meet the definition of business combinations for accounting purposes, and are considered to have indefinite lives. Intangible assets with indefinite lives are not amortized but are tested for impairment annually, or more often if certain circumstances indicate a possible impairment may exist. Amortized intangible assets consist primarily of acquired ICFA contract rights.

#### **Debt Issuance Costs**

In connection with the issuance of some of our long-term debt, we have incurred legal and other costs that we believe are directly attributable to realizing the proceeds of the debt issued. These costs are netted against long-term debt and amortized as interest expense using the effective interest method over the term of the respective debt.

#### Impairment of Long-Lived Assets

Management evaluates the carrying value of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. If an indicator of possible impairment exists, an undiscounted cash flow analysis would be prepared to determine whether there is an actual impairment. Measurement of the impairment loss is based on the fair value of the asset. Generally, fair value will be determined using appraisals or valuation techniques such as the present value of expected future cash flows.

Test Year Ended December 31, 2019
Notes to Financial Statements

Schedule E-9 Page 4 of 4

Line No. 

### Advances and Contributions in Aid of Construction

The Company has various agreements with developers and builders, whereby funds, water line extensions, or wastewater line extensions are provided to us by the developers and are considered refundable advances for construction. These AIAC are non-interest-bearing and are subject to refund to the developers through annual payments that are computed as a percentage of the total annual gross revenue earned from customers connected to utility services constructed under the agreement over a specified period. Upon the expiration of the agreements' refunding period, the remaining balance of the advance becomes nonrefundable and at that time is considered CIAC. CIAC are amortized as a reduction of depreciation expense over the estimated remaining life of the related utility plant. For rate-making purposes, utility plant funded by AIAC or CIAC are generally excluded from rate base.

### Fair Value of Financial Instruments

The carrying values of cash equivalents, trade receivables, and accounts payable approximate fair value due to the short-term maturities of these instruments. Portions of these non-interest-bearing instruments are payable annually through 2032 and amounts not paid by the contract expiration dates become nonrefundable. Their relative fair values cannot be accurately estimated because future refund payments depend on several variables, including new customer connections, customer consumption levels, and future rate increases. However, the fair value of these amounts would be less than their carrying value due to the non-interest-bearing feature.

#### Segments

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker ("CODM") in deciding how to allocate resources and in assessing operating performance. In consideration of ASC 280—Segment Reporting the Company notes it is not organized around specific products and services, geographic regions, or regulatory environments. The Company currently operates in one geographic region within the State of Arizona, wherein each operating utility operates within the same regulatory environment.

While the Company reports its revenue, disaggregated by service type, on the face of its Statements of Operations, the Company does not manage the business based on any performance measure at the individual revenue stream level. The Company does not have any customers that contribute more than 10% to the Company's revenues or revenue streams. Additionally, we note that the CODM uses consolidated financial information to evaluate the Company's performance, which is the same basis on which he communicates the Company's results and performance to the Board of Directors. It is upon this consolidated basis from which he bases all significant decisions regarding the allocation of the Company's resources on a consolidated level. Based on the information described above and in accordance with the applicable literature, management has concluded that the Company is currently organized and operated as one operating and reportable segment.

# Balterra Sewer, LLC\_Hassayampa Utility Company, Inc. Consolidated Test Year Ended December 31, 2019

Projected Income Statements - Present and Proposed

Line No.			ear al	Present Rates Year Ended 12/31/2020	Adjustments		roposed Rates Year Ended 12/31/2020
1	Operating Revenues	12/31/2 \$	2019	\$ -	Adjustments \$ -	\$	12/51/2020
2	Sportaing November	*		* 8	<b>36</b> 000	: 2 <b>₩</b> 8	
3	701 Salaries and Wages			5			14.5
4	704 Employee Pensions and Benefits		26	#:	140		8 <del>-</del> 8
5	710 Purchased Wastewater Treatment		325	29	-		929
6	711 Sludge Removal Expense			*:			(ie.)
7	715 Purchased Power		12	\$8	194		100
8	716 Fuel for Power Production		-				457
9	718 Chemicals			*			0.00
10	720 Materials and Supplies		30	24	140		627
11	720 Repairs and Maintenance		8		9-5		3564
12	720 Office Supplies and Expense		£	2	9		100
13	721 Office Expense		60	60			60
14	731 Contractual Services - Engineering						000
15	732 Contractual Services - Accounting		25	20	192		225
16	733 Contractual Services - Legal		509	509	1.00		509
17	734 Contractual Services - Management Fees		12	2	540		124
18	735 Contractual Services - Testing		-	-			2152
19	736 Contractual Services - Other		- ST	Si Si	14		F(#)
20	740 Rents - Building		8	25	52		REA
21	Intentionally Left Blank						
22	742 Rents - Equipment		12	2	92		pto
23	750 Transportation Expenses		_	_			0. <b>=</b> 0
24	756 Insurance - Vehicle			SI SI	143		25-c1
25	757 Insurance - General Liability		-	9	5		75
26	758 Insurance - Worker's Compensation		55	8	100		(15c)
27	759 Insurance - Other		8	2. 2.	526		924
28	760 Advertising Expense						
29	766 Regulatory Commission Expense - Rate Case		©	o: ₽	550		Nacc
30	767 Regulatory Commission Expense - Other		9		150		12
31	770 Bad Debt Expense		195	68 40	R24		5761 6949
32	775 Miscellaneous Expense		1,281	1,281	(a)		1,281
33	403 Depreciation Expense		*	1,201			5,555
34	408 Taxes Other Than Income		8	20	-		1000 7000
35	408 Property Taxes		3,366	3,366			3,366
36	408 Payroll Taxes		-	5,500	100		5,500
37	408 Other Taxes and Licenses		25				1925
38	409 Income Taxes		(88)	(88)			(88)
39	Total Operating Expenses		5,128	5,128			5,128
40	, oth operating Expenses		0,120	31123			37.50
41	Operating Income / (Loss)		(5,128)	(5,128)	1-2		(5,128)
42	S	-	(-1)	(2)(			1012201
43	OTHER INCOME / (EXPENSE						
44	414 Gain/Loss on Dispositions		0	111	521		845
45	419 Interest and Dividend Income						75
46	421 Non-Utility Income		150 150	51 25	920		NEI NEI
47	421 Non-Other Income 426 Miscellaneous Non-Utility (Expense)		_				
48	427 Interest (Expense)		25 22	\$1 2:	(3) (4)		19 <b>5</b> 24
49	Total Other Income / (Expense)	-			-		741
50	Total Other Income / (Expense)		3	8	15.		(5)
51	NET INCOME / (LOSS)	\$	(5,128)	\$ (5,128)	\$ -	\$	(5,128)
21	MET INCOME / (E033)		(0,120)	y (3,120)	9	• •	(3,120)

# Balterra Sewer, LLC\_Hassayampa Utility Company, Inc. Consolidated Test Year Ended December 31, 2019 Projected Statements of Changes in Financial Position

Present and Proposed Rates

				Projected Year			
(#Cown Colonic				Present		Proposed Rates 12/31/2020	
Line No.			Test Year 12/31/2019		Rates /31/2020		
1	Operating Activities	12	31/2013	12	13 112020	12	10 112020
2	Net income (loss)	s	(5,128)	S	(5,128)	\$	(5,128
3	Adjustment to reconcile net income (loss)	•	(3,120)	Ψ	(5,120)	Ψ	(3,120
4	Deferred compensation						_
5	Depreciation		150 120		51 2		8
6	Amortization		75)		2		
7	Amortization of deferred debt issuance costs and discounts		190				38
8	Write-off of debt issuance costs		348		2		2
9	Gain on sale of 303 contracts		5756		7		
10	(Gain) Loss on Equity Investment		70 <del>-</del> 07		94		9
11	Other gains and losses		•		9		
12	(Gain) Loss on disposal of fixed assets		1053		<b>3</b>		H
13	Loss on Sale of Willow Valley		140		2		2
14	Provision for doubtful accounts receivable		659		×		iā
15	Deferred income tax (benefit) expense		7437		2		9
16	Accounts receivables		-				(a)
17	Other Receivables		16		16		16
18	Accrued revenue		1		2		12
19	Infrastructure coordination and financing fee receivable				35		
20	Income taxes receivable		946		E CONTRACTOR OF THE CONTRACTOR		ia contrator de
21	Other current assets		41,440		41,440		41,440
22	Accounts payable and other current liabilities		3,073		3,073		3,073
23	Other noncurrent assets		(20)		-		
24	Other noncurrent liabilities		368		**		la.
25	Deferred revenue and prepaid ICFA fees		39.401		- 20 404		20.404
26 27	Net cash (used) provided by operating activities		39,401		39,401		39,401
SERVICE STATE OF THE SERVICE S							
28	Investing Activities						T AND DESCRIPTION OF THE PARTY
29	Capital expenditures		(39,401)		(39,401)		(39,401)
30	Proceeds from the sale of Willow Valley		370		-		18
31	Proceeds from sale of fixed and intangible assets		-7		-		
32	(Deposits) withdrawals of restricted cash		E 22		<b>3</b> 1		
33	Deposits		5845 745		8		(8
34 35	Advance in aid of construction release  Net cash used in investing activities		(39,401)		(39,401)		(39,401)
36	iver cash used in investing activities		(35,401)		(35,401)		(35,401)
	Figure day Authorities						
37	Financing Activities						
38	Proceeds from bond		652				15
39	Deposits in bond service fund		10-11				2
40	Proceeds withdrawn from bond service fund		( <b>.9</b> )		3		5
41 42	Repayments of bond debt (Deposit into)/ redemption from escrow for debt service		10 <del>1</del> 10		æ. 26		12 12
43	Loan borrowings		<=C		-		-
44	Loan repayments		151 125				:5
45	Principal payments under capital lease				-		
46	Payment of Sonoran acquisition liability		5373 1980		孤: 		8
47	Acquisition of utilities, deferred acquisition payments		(20		22		10
48	Financing costs paid		3.50				
49	Debt issuance costs paid		5780 545		2		12
50	Advances in aid of construction		150		-		
51	Dividends Paid		1000 19 <b>4</b> 00		:0 (#)		20
52	Proceeds from sale of stock		0205		25		10
53	Contributions in aid of construction under ICFA agreements		1,432		8		э
54	Payments of offering costs for sale of stock		920		×		32
55	Refunds of advances for construction		250				10
56	Net cash (used) provided by financing activities		(98)		9		- N
57	Net change in cash		0		0		0
58	CONTROL AND THE PROPERTY OF TH						
59 60	Supporting Schedules:				p Schedule		
	E-3			A-5			

Schedule F-3

Test Year Ended December 31, 2019 Projected Construction Requirements

Line		Through Through		Th	rough		
No.	Property Classification	12/3	1/2020	12/31/2021		12/31/2022	
1							
2	Well Development	\$	-	\$	-	\$	-
3							
4	Water Distribution Centers						
5							
6	Treatment and/or Blending						
7							
8	Pipelines						
9							
10	SCADA						
11							
12	Other						
13							
14	Totals	\$	-	\$	-	\$	
15		(Sch	. B-2.1)				

Schedule F-4

Test Year Ended December 31, 2019 Assumptions

Line	
No.	
1	
2	Revenues and expenses were projected using the pro forma changes to the test year ending
3	December 31, 2019. Actual expenses incurred during the test year ending December 31,
4	2019, were considered when developing pro forma adjustments. Where known and
5	measurable changes are expected to occur, those changes are applied to determine pro form
6	adjustments.
7	Construction forecasts are based on estimated plant requirements including new facilities,
8	the replacement of existing facilities, and the improvement and maintenance of
9	infrastructure necessary to ensure safe and reliable service.
10	
11	
12	
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19	
20	
21	
22	
23	
24	
25	
26	
27	
28	
29	
30	

Test Year Ended December 31, 2019 Schedules G- thru G-7 Cost of Service Study

Balterra Sewer, LLC and Hassayampa Utility Company have no customers, no revenue, and no rate of return.

A cost of service study, which apportions rate of return to different classes of customers cannot be performed when there are no customers.

Test Year Ended December 31, 2019 Schedule H-1 thru H-2 Revenues by customer class and billing analysis.

Balterra Sewer, LLC and Hassayampa Utility Company have no customers and no revenue. Therefore there is no revenue to assign to different customer classes and there is no billing data to analyze.

Test Year Ended December 31, 2019

Classification - Present and Proposed Rates

Note the current rates for Hassayampa are proposed to be the rates for the consolidated entity.

#### Monthly Minimum Charges:

Current Hassayampa	Utility Company	Rates
--------------------	-----------------	-------

	Basic Service Charge							
Meter Size (All Classes)	Present (2021)		Proposed		Change			
5/8" X 3/4" Meter	\$ 5	4.25	\$	54.25	\$	0		
3/4" Meter		4.25		54.25		8		
1" Meter	13	5.00		135.00		35		
1.5" Meter	27	0.00		270.00		*		
2" Meter	43	0.00		430.00		*		
3" Meter	86	0.00		860.00		*		
4" Meter	1,35	0.00		1,350.00		+		
6" Meter	2,70	0.00		2,700.00		9		

#### Current Balterra Sewer Rates

	Basic Service Charge							
Meter Size (All Classes)	Present		P	Proposed		Change		
5/8" X 3/4" Meter	\$	70.00	S	54.25	\$	(15.75)		
3/4" Meter		105.00		54.25		(50.75)		
1" Meter		175.00		135.00		(40.00)		
1.5" Meter		350.00		270.00		(80.00)		
2" Meter		560.00		430.00		(130.00)		
3" Meter		1,050.00		860.00		(190.00)		
4" Meter		1,750.00		1,350.00		(400.00)		
6" Meter		3,500.00		2,700.00		(800.00)		

Effluent Charge:		resent sayampa	Р	roposed	C	Change
All Gallons (Per Acre Foot) All Gallons (Per 1,000 Gallons)	\$	400 1.23	\$	400.00 1.23	\$	#1 #2
Effluent Charge:	56	resent alterra		roposed 2022	c	Change
All Gallons (Per Acre Foot) All Gallons (Per 1,000 Gallons)	\$	202.00 0.62	\$	400.00 1.23	\$	198.00 0.61
Miscellaneous Service Charges Current Palo Verde Customers	P	resent	Pi	roposed	Change	
Establishment of Service Re-establishment of Service (Within 12 Months) Reconnection of Service (Delinquent) After Hours Service Charge, Per Hour	\$	30.00 (a) 50.00 NA	\$	30.00 (a) 50.00 50.00	\$	5.
Deposit Deposit Interest NSF Check Late Payment Charge (Per Month)		(b) (b) 25.00 1.50%		(b) (b) 25.00 1.50%		- 0.00%
Deferred Payment Charge (Per Month)		1.50%		1.50%		0.00%

<sup>(</sup>a) Number of Months off System times the monthly minimum per A.A.C. R14-2-603(D).

In addition to the collection of its regular rates and charges, the Company shall collect from customers their proportionate share of any privilege, sales or use tax in accordance with A.A.C. R14-2-608(D)(5).

Miscellaneous Service Charges Current Red Rock Customers	Pro	esent	Pr	oposed	Cha	inge
Establishment of Service	\$	25.00	s	30.00	\$	5.00
Re-establishment of Service (Within 12 Months)		(a)		(a)		
Reconnection of Service (Delinquent)		30.00		50.00		20.00
After Hours Service Charge, Per Hour		40.00		50.00		
Deposit		(b)		(b)		
Deposit Interest		(b)		(b)		
NSF Check		15.00		25.00		10.00
Late Payment Charge (Per Month)		1.50%		1.50%		0.009
Deferred Payment Charge (Per Month)		NA		1.50%		NA

<sup>(</sup>a) Number of Months off System times the monthly minimum per A.A.C. R14-2-603(D).

Schedule H-3

<sup>(</sup>b) Per A.A.C. R14-2-603(B).

<sup>(</sup>b) Per A.A.C. R14-2-603(B).

In addition to the collection of its regular rates and charges, the Company shall collect from customers their proportionate share of any privilege, sales or use tax in accordance with A.A.C. R14-2-608(D)(5).

Test Year Ended December 31, 2019 Schedule H-4 and H-5 Revenues by customer class and billing analysis.

Balterra Sewer, LLC and Hassayampa Utility Company have no customers and no revenue. Therefore there is no revenue to assign to different customer classes and there is no billing data to analyze.

1	Timothy J. Sabo (021309)	
2	Regulatory Counsel	
1200	Global Water Resources, Inc.	
3	21410 N. 19th Avenue, Suite 220	
4	Phoenix, AZ 85027	
202	480.999.5215	
5	Tim.Sabo@gwresources.com	
6	BEFORE THE ARIZONA CORPO	PRATION COMMISSION
7		
8	COMMISSIONERS	
265	ROBERT "BOB" BURNS, Chairman	
9	BOYD DUNN	
10	SANDRA D. KENNEDY	
10	JUSTIN OLSON	
11	LEA MÁRQUEZ PETERSON	
12	IN THE MATTER OF THE APPLICATION	DOCKET NO. SW-20403A-20-0218
10	OF GLOBAL WATER - BALTERRA	20 0111110, 21, 20 10311 20 0210
13	UTILITIES COMPANY, INC., AN ARIZONA	RATE APPLICATION
14	CORPORATION, FOR THE	
3.5	ESTABLISHMENT OF JUST AND	PART 4 OF 4
15	REASONABLE RATES AND CHARGES	The Carlotte Control of the Control
16	FOR UTILITY SERVICE DESIGNED TO	NOTICE OF FILING
1.7	REALIZE A REASONABLE RATE OF	SUPPLEMENTAL FILING
17	RETURN ON THE FAIR VALUE OF ITS	MATERIALS IN SUPPORT OF
18	PROPERTY AND FOR CERTAIN RELATED	RATE APPLICATION
10	APPROVALS.	
19		
20	Global Water – Balterra Utilities Company	, Inc., in connection with its
21	contemporaneously filed Rate Application, provid	es notice of filing the attached
22	Contemporaricousty fried Rate Application, provid	es notice of filling the attached
22	Supplemental Filing Materials in support of its Ra	te Application.
23		I
24	RESPECTFULLY SUBMITTED this 28th	day of August, 2020.
25		Timothy 1. Sabo
		35A991DC587B41E
26	700	imothy J. Sabo egulatory Counsel
27		eguidiory Counsel
28	1	

1 **Certificate of Service** 2 Original of the foregoing eFiled this 28th day of August, 2020 with: 3 4 Docket Control Arizona Corporation Commission 5 1200 West Washington Phoenix, Arizona 85007 6 Copies emailed this same date to: 7 Elijah Abinah 8 Director, Utilities Division Arizona Corporation Commission 1200 West Washington Phoenix, Arizona 85007 10 Utildivservicebyemail@azcc.gov 11 Robin R. Mitchell, Esq. Chief Counsel and Director, Legal Division 12 Arizona Corporation Commission 1200 West Washington 13 Phoenix, Arizona 85007 LegalDiv@azcc.gov 14 15 Hearing Division Arizona Corporation Commission 1200 West Washington 16 Phoenix, Arizona 85007 17 Hearing Division Service by Email@azcc.gov 18 19 Isl Joyce Goodwin 20 21 22 23 24 25 26 27 28 2

# Additional Filing Requirements

Global Water - Balterra Utilities Company, Inc.

Docket No. SW-20403A-20-0218

Test Year Ended December 31, 2019

# **Table of Contents**

- 1. Wastewater Flows
- 2. Major Plant in Service Inventory Wastewater

# Additional Filing Requirements Global Water – Balterra Utilities Company, Inc. Test Year Ended December 31, 2019

1. Wastewater Flows

Balterra Sewer, LLC Annual Report Wastewater Flows 12/31/19

	Wastewater Flows									
Month	Number of Services	Total Monthly Sewage Flow (Gallons)	Sewage Flow on Peak Day	Purchased Power Expense <sup>1</sup>	Purchased Power (kWh) <sup>2</sup>					
January	0	0	0	\$0	0					
February	0	0	0	0	0					
March	0	0	0	0	0					
April	0	0	0	0	0					
May	0	0	0	0	0					
June	0	0	0	0	0					
July	0	0	0	0	0					
August	0	0	0	0	0					
September	0	0	0	0	0					
October	0	0	0	0	0					
November	0	0	0	0	0					
December	0	0	0	0	0					
	Totals	0	0	\$0	0					

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal

Groundwater Permit Number

ADEQ Aquifer Protection Permit ("APP") Number

ADEQ Reuse Permit Number

EPA NPDES Permil Number

APP Effluent Treatment Requirement (Class)?

Permitted Flow Rate

Permitted Organic Capacity

Hydraulic Capacity

Type of Biological Treatment

Other	
	0
	0
	0
AZ0025585	
Managaria ( )	0
0.55 MGD	
	0%
	0%
N/A	OLIS TAME

In the space below, list all violations within the past 12 months:

This system has not been constructed.

Note: If you are filing for more than one system, please provide separate sheets for each system.

1 Enter the total purchased power costs for the power meters associated with this system.

2 Enter the total purchased kWh used by the power meters associated with this system.

**Instructions:** Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

# Additional Filing Requirements Global Water – Balterra Utilities Company, Inc. Test Year Ended December 31, 2019

2. Major Plant in Service Inventory - Wastewater

Balterra Sewer, LLC Annual Report Wastewater Utility Plant Description 12/31/19

	Wastewa	ter Utility Plant Description	
Name of System:	Balterra Se	wer LLC	
Wastewater Inventory Number (if applica	ible):	NA I	
Type of Treatment	Netrodise)	Other	
Design Capacity of Plant (Gallons per day	y)	0	

		LIFT STATION	FACILITIES		
Location	Quantity of Pumps	Horsepower Per Pump	Rated Capacity Per Pump (GPM)	Wet Well Capacity (gals)	Year Constructed
0	0	0	0	0	NA
0	0	0	0	0	NA
0	0	0	0	0	NA
0	0	0	0	0	NA
0	0	0	0	0	NA
0	0	0	0	0	NA
0	0	0	0	0	NA
0	0	0	0	0	NA
0	0	0	0	0	NA
0	0.:	0	0	0	NA
0	0	0	0	0	NA
0	0	0	0	0	NA
0	0 1	0	0	0	NA
0	0	0	0	0	NA
0	0 (	0	0	0	NA
0	0	0	0	0	NA

FORCE MAINS				
Size	Material	Length (Feet)		
0	NA	0		
Ö	NA	0		
0	NA	0		
0	NA	0		
0	NA	0		
0	NA	0		
0	NA	0		
0	NA	0		
0	NA	0		
0	NA	0		
0	NA	0		
0	NA	0		
0	NA	0		
0	NA	0		
0	NA	0		
O	NA	0		
0	NA	0		
0	NA	0		
0	NA	0		
0	NA	0		

MANH	OLES
Type	Quantity
Standard	0
Drop	0

	CLEANOUTS
Quantity	
0	
0	
0	
0	- 1411003-1117-1117-1117

**Instructions:** Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

Balterra Sewer, LLC

Annual Report
Wastewater Utility Plant Description (Continued)

	LECTION MAINS	COL
Length (	Material	es (inches)
	NA	4
ALL MACENIA	NA	6
	NA	8
	NA	10
	NA	12
	NA	15
	NA	18
The sound of the second	NA	21
	NA	24
	NA	30
	NA	NA
	NA	NA
tria e essa de la comenzación dela comenzación de la comenzación dela comenzación de la comenzación de	NA	NA
	NA	NA
Heli in Association	NA	NA
	NA	NA
Million Cap III	NA	NA
	NA	NA

services/Laterals			
Size (inches)	Material	Quantity	
4_	NA	0	
6	NA	0	
8	NA	0	
12	NA	0	

Balterra Sewer, LLC Annual Report Wastewater Utility Plant Description (Continued)

Wastewater U	tility Plant Description (Continued)	

For the following five items, list the utility owned assets in each category for each system. SOLIDS PROCESSING AND HANDLING **FACILITIES** DISINFECTION **EQUIPMENT** (Chlorinator, Ultra-Violet, FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.) STRUCTURES (Buildings, Fences, Etc.) 0 Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)

**Instructions:** Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.